

# CURRENT HISTORY

A WORLD AFFAIRS JOURNAL



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# CURRENT HISTORY

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## EDITOR'S NOTE:

In this issue *Current History* examines a Europe no longer split into competing blocs. The end to nearly a half-century of political and economic division calls for a fresh look at the continent without cold war blinders. The picture that emerges is of a Europe in transition, where the Warsaw Pact has disappeared, NATO is slowly devolving, and the European Community is aggressively pursuing Victor Hugo's dream that "all nations of the continent will merge tightly without losing [their] identities and [their] remarkable originality. . . and form a European fraternity. . . . A day will come when markets, open to trade, and minds, open to ideas, will become the sole battlefields"—a vision of the future that even Soviet President Mikhail Gorbachev has embraced.

But positive assessments of the new Europe are offset by environmental catastrophe in Eastern Europe and manifestations of the old Europe: ethnic fratricide in Yugoslavia, xenophobia in Germany and France, and great power bickering among the British, French, and Germans. The enmities that had lain dormant during the cold war must be confronted and resolved before the new Europe can be consolidated.

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As Europe begins to reassess its security and economic needs in the wake of the revolutionary changes that have swept the continent, the United States increasingly finds that it is no longer the central actor in determining how best to meet those needs. "Washington should see this process as akin to a grown child leaving home, not a divorce after a long marriage."

## The United States and Europe: Redefining the Relationship

BY JOSEPH LEPGOLD

One year ago, Andrew Pierre wrote in these pages that to speak of Europe's postwar "architecture" is misleading, since the new Europe will not be built according to "a blueprint or a fixed plan."<sup>1</sup> Several factors will affect this evolutionary process. Ensuring the presence of United States troops in Europe (even as Europeans seek a more autonomous defense), the imminent approach of the single European market in 1992, and direct challenges to European security, such as the disintegration of Yugoslavia and the August 1991 putsch by Soviet hard-liners, will all shape European interests, institutions, and the continent's relationship with the United States. If 1990 marked the end of the cold war, then 1991 saw Europeans and Americans begin to work out the consequences of that fact for their future relationship.

How many American troops will remain in Europe and what the post-cold war character of the North

Atlantic Treaty Organization (NATO) will be were both the easiest and the most difficult questions. NATO would undoubtedly be slimmed down and its focus shifted from military to political issues. But what did that really mean? The July 1990 "London Declaration on a Transformed North Atlantic Alliance" laid out the general principles, but the answers will inevitably be found in the details of military missions, command, and doctrine.\* NATO members were sparring about these even as they fought together in the Persian Gulf war earlier this year. France and the United States had antithetical views on NATO's future, and NATO's other members adopted positions around these two.

Trade disputes between Washington and the European Community (EC) governments grew this year, though they tended to be overshadowed by the Gulf war and the issue of economic assistance to the Soviet Union. While everyone paid lip service to freer trade, the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) talks foundered, and Americans as well as Europeans seemed to be bracing for a world of managed trade. The end of the cold war also meant that governments on both sides of the Atlantic were less inhibited about pursuing confrontational trade tactics.

If "architecture" means anything in the context of these problems, it is in how the institutional pieces of post-cold war Europe will fit together and what role the completed puzzle will leave for the United States. For example, would a revived Western European Union (WEU) anchor itself mainly to NATO, leaving room for American leverage, or would it ultimately be responsi-

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\*Editor's note: The text of the London Declaration is excerpted in *Current History*, October 1990.

<sup>1</sup>Andrew J. Pierre, "The United States and the New Europe," *Current History*, November 1990, p. 354.



ble to the EC, freezing Washington out? \*\* Washington, Paris, and Bonn had some tough discussions about this in early 1991, but the essential differences remained unresolved.

A related question concerns the role of the Conference on Security and Cooperation in Europe (CSCE). Born during the 1970s as a vehicle to negotiate troop cuts in Europe and bring the eastern and western parts of the continent closer, the CSCE includes Canada, the United States, and the other NATO members, as well as the Soviet Union, former Warsaw Pact members, and European neutrals. France and the Soviet Union wish to give it a larger role in European security affairs; Washington wants to minimize it. In principle, these differences can be negotiated. The CSCE could play a role in European collective security, perhaps by delegating enforcement to NATO or a subgroup of the alliance. But Washington's coolness to plans that would weaken NATO and the absence of a meaningful role for the CSCE in dealing with current problems put it in a holding pattern during 1991.

One reason for uncertainty about America's future presence in Europe is a deeper uncertainty about American power. The global leverage Washington gained through leading the allied coalition in the Gulf war surprised Europeans who believed that the end of the cold war would reduce United States influence. Thus even French and German officials, who are the most eager to build more autonomous European institutions, spoke publicly after the war of the need for a continuing and visible United States role on the continent. But privately they wondered how long it could be sustained, and some officials believed that all but a token contingent of American troops would be withdrawn by the end of the century.

Short-lived as it was, the August 1991 coup attempt by Soviet hard-liners will probably affect European-American relations. The coup attempt may strengthen arguments that the security structures already in place (that is, NATO) should be preserved as a hedge against future instability. This would augment American influence and undercut congressional efforts to chip away further at United States defense forces.

Other implications of explosive economic and political conditions in Eastern Europe may be more mixed from Washington's viewpoint. Just two days after Soviet President Mikhail Gorbachev was overthrown, Czech, Polish, and Hungarian officials reiterated their desire for closer links with NATO and the EC; Britain, among others, supported them. It is too soon to predict whether

Gorbachev's restoration will assuage the feelings of crisis and set back Eastern Europe's attempts to join the West, but a cohesive European confederation including most of the continent would reduce American influence throughout Europe.

## NATO ENTERS A NEW ERA

The fall of the Berlin Wall in November 1989 presaged a NATO in which far fewer American troops would be needed to deter a Warsaw Pact military offensive. However unlikely that scenario may have been during the cold war, the demise of communism in Eastern Europe removed it as a justification for NATO doctrine. Since the 1950s that doctrine had been based on the possibility of a graduated response, from conventional weapons to all-out nuclear war, and had called for high allied force levels in Western Europe. Only one week after the wall came down, reports surfaced that the administration of United States President George Bush was considering deeper cuts in European forces than those contained in its then-current negotiating position for the Conventional Forces in Europe (CFE) talks. United States budgetary pressures pushed strongly in the same direction. As one United States official explained, cutting the number of troops made sense because "[defense] is where the money is [spent]."

Moving NATO's military doctrine into the post-cold war era was one of two key tasks undertaken by the alliance during 1990. The other involved absorbing East Germany while reassuring the Soviet Union and Poland that the West harbored no offensive intentions. Revising military planning and doctrine was more politically straightforward, but it too required major changes in operating assumptions. Accordingly, at their London summit in July 1990, the NATO heads of state and government agreed that NATO will field smaller forces and restructure active forces; that these new forces will be highly mobile and versatile, giving allied leaders maximum flexibility in responding to a crisis; that NATO will scale back the readiness of its active units, reducing training requirements and exercises; and that NATO will rely more on the ability to build up forces during a crisis.

In May 1991 NATO began to implement these guidelines by cutting troop strength from 1.5 million to 750,000. The number of heavy divisions will be reduced, while the existing crisis-reaction force of 5,000 men will grow to at least 50,000. This force will be under British command and will be made up of several multinational units. It is unclear what role it will have in out-of-area conflicts—long a troublesome issue in the alliance.

At the May NATO summit, British Defense Minister Tom King justified the new force structure by citing the reduced Soviet threat: Moscow had lost control over 500,000 Warsaw Pact troops in Eastern Europe, and another 500,000 of its own troops were leaving the region as part of a unilateral troop reduction and to comply with hardware cuts agreed to in the CFE treaty

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\*\*Editor's note: The WEU was formed in 1954 as an organization for West European cooperation in defense and security affairs that would work with, but not be subsumed by, NATO. The members of the WEU are the United Kingdom, France, Belgium, the Netherlands, Luxembourg, Italy, and Germany.

Under the terms of the treaty, which was signed in November 1990, Moscow must reduce its armored forces west of the Urals to 13,150 tanks, 13,700 artillery pieces, 20,000 armored vehicles, 5,150 combat aircraft, and 1,500 attack helicopters—cuts that are disproportionately larger than NATO's. NATO members are expected to ratify the doctrinal changes formally at another summit in November 1991, while a follow-on agreement to the CFE is scheduled to trim manpower levels.<sup>2</sup>

The United States will provide key contributions to NATO's new forces. It has pledged to supply a fully equipped division to the rapid-reaction force and an "augmentation force" that would take part in conflicts lasting several months or more. NATO's supreme commander (SACEUR) will remain an American for the foreseeable future.<sup>†</sup> Still, active duty United States forces in Europe are scheduled to be cut at least in half by the mid-1990s (leaving one Army corps headquarters instead of two), and Europeans are to take over more command positions below the SACEUR level. Washington will play an important military role in the new NATO, but not the dominant one of the cold war.

This limited role and its strategic rationale may become politically unpopular in the United States. "Preserving stability" against nebulously defined threats—the new rationale for NATO that was articulated by Bush in May—makes some Americans (as well as some Europeans) think NATO is looking for a gimmick to stay in business now that the cold war is over. As European analyst Stephen Szabo has noted, "Virtually all of the problems and new threats that the new NATO was designed to meet are problems for Europe, not the United States. . . . Can you imagine the American public supporting intervention in Croatia?"<sup>3</sup>

At home, United States leaders will be able to justify

a military presence in Europe only if NATO finds a convincing post-cold war role that specifically ties American interests to the alliance's mission. A recent German analysis suggests several possibilities.<sup>4</sup> First, even with Soviet reformers now apparently in power, a military counterweight to the Soviet Union is required so long as it has large conventional forces and thousands of nuclear warheads. Europe could lose interest in balancing Soviet strength, but the United States, as a great power concerned with the global balance of forces, will not. Second, as Bush suggested in May, NATO could guard against instability in Eastern Europe. Third, as United States officials have also advocated, NATO can help transform Europe politically and nurture other security institutions. Fourth, it can continue to anchor Germany to Europe. Fifth, as United States Secretary of State James Baker 3d suggests, the alliance can serve as a forum to discuss other problems, such as regional conflicts, terrorism, and arms proliferation.

Americans could well question each of these. In terms of balancing Soviet power, taxpayers may ask why they should do what Europeans might appear to have less interest in doing. As Szabo suggests, it is difficult to see a necessary role for NATO or United States forces in hedging against or responding to strife in Eastern Europe. NATO is virtually powerless to prevent such conflicts; its only conceivable role is to bolster less militarized institutions such as the CSCE. NATO's usefulness in promoting other channels of security cooperation is also dubious, since the more Eastern and Western Europeans cooperate, the less they will need NATO.

## FRICTION WITH THE FRENCH

Only time will help sort out these possibilities. Meanwhile the Bush administration has sought to assure a role for the United States in the new Europe by emphasizing NATO's role. Fears of being sidelined are widespread in Washington, and they explain Baker's December 1989 proposal for a treaty setting out future relations between Washington and the EC. Biannual meetings between the United States president and his counterparts from the EC's Council and Commission, and comparable meetings between the secretary of state and his EC counterparts, began this spring.

At the same time, Washington and Paris clashed over the centrality of NATO in Europe's post-cold war plans. France proposed that the rapid-reaction force be ultimately responsible to the EC. Washington would have none of it, telling Paris and Bonn that excluding the United States would drive it from Europe. The French government professed the belief that all United States forces will leave by the end of the century; Germany may agree and support French efforts to strengthen European institutions, but it does not want to precipitate a United States withdrawal. Britain and the Netherlands supported the United States position and were opposed to marginalizing NATO's role.

<sup>†</sup>SACEUR is the acronym for supreme allied commander in Europe.

<sup>2</sup>The signed CFE treaty covers only weapons, but it was originally conceived to include troops from the United States and the Soviet Union (but not other NATO and Warsaw Pact troops). A ceiling of 195,000 troops from each country was agreed in the CFE talks, but this was overtaken by events. As part of the agreement that reunified Germany and kept it in NATO, German Chancellor Helmut Kohl and Soviet President Gorbachev agreed that all Soviet troops would leave the former East Germany by 1994. Meanwhile Moscow withdrew all its forces from Hungary and Czechoslovakia, leaving only 50,000 in Poland. While there is no agreement on removal of the troops in Poland, the United States decided to cut strength far below 195,000, so the troop issue was deferred. (Kohl agreed separately to reduce German forces to 370,000.)

<sup>3</sup>Stephen F. Szabo, School of Advanced International Studies, Johns Hopkins University, quoted in "NATO's Difficult Career Change," *The New York Times*, June 9, 1991.

<sup>4</sup>Eckhard Lubkemeier, "NATO's Identity Crisis," *Bulletin of Atomic Scientists*, October 1990.

The stakes involved in this issue are fundamental and were not resolved at a hastily arranged meeting in late spring between German Chancellor Helmut Kohl and French President François Mitterrand to harmonize positions before continuing EC deliberations over common policies. France believes that Europe's institutions can be strengthened only by weakening NATO; one French official spoke disparagingly about the leverage Washington routinely exercises over force structure and military procurement through its control of the top positions at the Supreme Headquarters of Allied Powers in Europe (SHAPE). Mitterrand viewed the end of the cold war as an opportunity to expand French influence, and was reportedly "furious" that the Germans had helped to extend NATO's life by signing on to the British-American concept for the rapid-reaction corps. How similar developments are handled over the next few years will say much about NATO's future and the future of the United States in it.

### TRADE BECOMES AN IRRITANT

Domestic support in the United States for a continued military commitment to Europe will also depend on American perception of EC trade practices. Support for NATO will evaporate if the unified European market is seen as a closed bloc. Since there is no longer a need to maintain a united front against the Soviet threat, economic frictions will loom increasingly large on both sides of the Atlantic. There were disturbing signs of this in 1991, and no obvious solution to the problems.

The most difficult economic issue standing between Washington and Brussels is Europe's closed agricultural market. At the center of the problem is the EC's Common Agricultural Policy (CAP), which protects European agriculture while serving powerful domestic interests in France and Germany. These two countries initiated subsidies to their farmers, and since CAP's adoption farmers across the Community have defended the protection. Consumers complain about high food prices, and industrial groups complain that 95 percent of Europe is subsidizing the 5 percent who farm, but electoral politics has rewarded the well-organized agricultural minority.

CAP has received more scrutiny than usual in the United States, as well as from European free-traders, because many blame EC intransigence on this issue for the breakdown of the Uruguay Round of the GATT talks. Although the United States insisted on exempting agriculture from GATT regulations in the 1950s, in 1987 it changed course and proposed a ten-year phase out of agricultural subsidies. Europe offered no hint of official interest, and the United States walked out of the talks.

Is the EC to blame for the impasse, or is responsibility more widely spread? The European Commission has reportedly "hinted" at a commitment to cut farm subsidies to make exports to Europe competitive. But French Prime Minister Edith Cresson wants more rather than less protection for her agricultural constituency, Mitterrand apparently supports her in this, and Kohl shows no stomach for challenging his farmers. Even British Prime Minister John Major, whose farm bloc is smaller, has not supported changes in CAP that would facilitate the Uruguay Round.

Agriculture is not the only source of trade friction between the EC and the United States. Industrial subsidies are much more a way of life on the continent than in the United States, and the American economist Robert Samuelson detects growing commercial tensions across the Atlantic on this issue. Using Europe's Airbus commercial aircraft consortium as an example, he contends that Europeans no longer bargain in good faith with Washington. "Reasonable" demands by the United States for a gradual reduction of government subsidies have been rebuffed, he says; Europeans increasingly treat America with "contempt" on trade issues.<sup>5</sup>

Washington, however, has also contributed to trade frictions. The Omnibus Trade and Competitiveness Act of 1988, which provides for retaliation against unfair trading practices, is viewed abroad as unilateralist and not in the spirit of GATT. Moreover, agriculture is a very sensitive issue in Europe, and Washington's proposed GATT bargain during the Uruguay Round—simultaneous liberalization in services, intellectual property rights, investment, and agriculture—is viewed as unfairly advantageous to American producers at the expense of Europeans.

If Europe is truly prepared for a trade war (as some observers believe), and if the Bush administration does not reach an agreement on subsidies politically palatable to the Community, Europe could become significantly more of a trade fortress after 1992. The EC is too strong economically to be coerced by the United States, and Brussels will not be deterred by congressional or administration threats to pursue a North American trade strategy. A world defined economically by trade blocs is distinctly possible, as are the consequences, which would tear at Western security cooperation and hasten a United States withdrawal from Europe.

### PAN-EUROPEAN INSTITUTIONS

If one were asked to predict the nature of European-American relations over the next decade, two key variables would be the power and purpose of institutions spanning the continent. A stronger European Community will allow Europe to deal with the United States on a more equal basis, and the demise of stark threats in Europe will lessen the importance of Washington's contributions—its military might and reassurances. Thus the more important European institutions

<sup>5</sup>Robert J. Samuelson, "Worth a Trade War with Europe," *Washington Post*, July 3, 1991.



NATO will probably succumb to its cold war success. Coalitions do not usually outlast their adversaries. The alliance has also succeeded in anchoring Germany to the West, and this may help dissolve it. According to the old saw, NATO was formed "to keep the Americans in, the Russians out, and the Germans down." Now that German energies have been channeled into creating prosperity, diluting German strength requires the broadening and deepening of European integration. This is a "win-win" situation for most Europeans, but it means less American influence in Europe in the long run.

Greater integration does not mean a quick birth for the new Europe. The Gulf crisis and war left little room for an independent European role. Except for France, the members of NATO and the EC agreed in the main with Washington's hard-line approach toward Baghdad. Moscow was more ambivalent, though all the coalition desired from the Soviet Union was a free hand in the United Nations.

In the other crisis of 1991—the dissolution of Yugoslavia—Europe displayed a growing desire to act jointly in foreign policy and its substantive impotence in ethnic conflicts. The CSCE called for a cease-fire when the republics of Slovenia and Croatia tried to break away from the Yugoslav federation, then effectively turned matters over to the EC. The Community's members, however, disagreed on what policy to follow. Germany (and its neighbor Austria, which had ruled the Balkans for centuries) sympathized for historical reasons with the rebels, while Britain, France, Italy, and Spain feared a precedent under which their own minorities could seek independence. Yet the advantages of a common policy were significant. The Community accounts for nearly half of Yugoslavia's trade, much of Yugoslavia wishes to join the EC, and Europeans wanted to show the world they could act together. The last may be at least as significant as their failure to get results.

While they debated policy toward Yugoslavia, EC members were conscious of a December 1991 summit scheduled to approve treaties for economic, monetary, and perhaps political union. These treaties will comprise a preliminary constitution for the new European confederation. If France and Germany prevail, the treaties would bring the Western European Union under EC control and EC foreign ministers would unanimously select foreign policy issues to be decided by a vote of the EC's Council. Britain and the Netherlands oppose these changes, and it is unclear how the Yugoslav crisis will affect the outcome of the deliberations. It could reinforce arguments that Community members disagree too much to allow common security policies to work.

The CSCE will have some role to play in the new Europe because it includes almost all of the continent and because it stands for the collective security principle that borders must not be changed by force. This principle was strengthened by the reversal of Iraq's invasion of Kuwait. Yet Washington resists giving it real power

because it fears the CSCE will encroach on NATO's functions. This is, of course, the reason Bonn, Paris, and the Eastern Europeans want to strengthen it. While its size makes it indecisive, the CSCE could grow in importance if it became the central forum in which issues were referred to smaller bodies (such as the EC, the WEU, or NATO) for diplomatic, economic, or military implementation.

The Soviet coup was too brief to indicate much about Europe's longer term response to similar crises in the future. NATO and EC members acted virtually as one in suspending aid to the new government; Germany, still occupied by Soviet troops, allowed some humanitarian assistance to continue. Immediate calls were heard in the United States to reverse the decline in defense spending and plans to withdraw troops from Europe (the Army had announced a few days earlier that two of its four combat divisions in Europe would leave beginning in 1992), but United States Defense Secretary Dick Cheney, a Bush administration hawk, said the cuts were premised on projections of Moscow's long-term power, not its current policies.

If the Soviet hard-liners had remained in power, NATO would have developed a common diplomacy for the duration without, however, reverting to a policy of cold war military confrontation. Even though the coup lasted only a few days, it might be used by the United States and pro-NATO states in Europe to argue against sudden changes in policy. NATO, they could say, is just the kind of insurance policy required for contingencies such as the coup.

But this argument misses an essential change in Europe's perception of future issues. Over the next decade, Europeans will focus on trade, reform in Eastern Europe, and containing ethnic conflict. NATO is virtually irrelevant to these objectives. When the Soviet threat loomed large, NATO was an effective instrument for Washington. It was a central piece of Western Europe's architecture, and one that guaranteed the United States entrée to Europe. This is no longer true.

How rapidly NATO will lose authority is more difficult to say. It will depend partly on circumstances; if EC or CSCE mechanisms work well in a future crisis, they will gain legitimacy and authority at NATO's expense. It will also depend on the pace at which German policy evolves. Berlin is the new Europe's powerhouse, but its leaders are torn between their past—tutelage and close partnership with Washington—and their future inside European institutions. If the French point of view prevails, NATO's demise will accelerate. This is not a question of whether, but of when: EC mechanisms provide a framework for German activity in its area of keenest interest—Eastern Europe—that it cannot achieve as well through NATO or alone. Washington should see this process as akin to a grown child leaving home, not a divorce after a long marriage. This is the fundamental implication of post-cold war politics for the United States in Europe. ■

"France's condition in 1991 merits a cautionary appraisal. Uncertainties abound in the short term because of the fragility of many domestic and international arrangements. In the long run, France will probably be a stable and prosperous country involved in an ever-thickening web of European institutions. But, as John Maynard Keynes once reminded his detractors, we all live in the short run."

## France's Uncertain Progress toward European Union

BY JOHN FENSKE

**B**astille Day, the French national holiday commemorating the Revolution of 1789, was observed this year much as it had been in previous years. In the morning a huge military parade advanced down a broad avenue in the heart of Paris, past a reviewing stand that held President François Mitterrand, Prime Minister Edith Cresson, and other dignitaries. But the 1991 parade differed from those of recent memory in that the green camouflage hues suitable to Western European battlefields ceded pride of place to the desert brown and beige of the Daguet Division, France's contingent in the international coalition that had expelled Iraq from Kuwait in February.

Initially, a majority of the French people believed that Iraq's August 1990 takeover of Kuwait should be thwarted, but not through any special effort by France. Yet once aerial bombardment of Iraq began in mid-January 1991, the people rallied behind Mitterrand's firm resolve to send troops. They welcomed this Bastille Day parade, for aside from sporadic interventions in francophone Africa over the past few decades, both France and its soldiers had been waiting a long time to savor success in battle.

The politically astute observer, however, might have noticed minor signs of discord in the celebrations. The student-soldiers of the Ecole Polytechnique, the country's most prestigious technical institute, undercut the dignity of the occasion by decorating their uniforms

with *cresson* (watercress)—a somewhat dubious way of honoring Prime Minister Cresson. More ominously, the Jaguar fighter-bombers that had participated in raids over Kuwait and Iraq were unable to fly past the reviewing stand because of overcast skies. This incident might have reminded the assembled political and military officials that perennial budget disputes had left the Jaguars with a similar inability to fly some missions during the war because they lacked the "all-weather" capability of American and British aircraft.

Such troublesome thoughts would lead naturally to others—for instance, to criticisms voiced outside as well as inside France concerning the size, nature, and timing of French deployments to the Persian Gulf region. The mere presence of the Daguet Division could revive serious qualms about the overall quality of the French military establishment and even about the political leadership's commitment to allies.

### FRANCE'S GRAND AMBITIONS

A few hours after the parade, Mitterrand gave a long televised interview from the lawn of the Elysée presidential palace.<sup>1</sup> The opening questions focused on the "somewhat bitter taste of victory"—that is, on the frustrating need for continued intervention in Iraq in order to protect the Kurdish population from reprisals and to compel Iraqi authorities to fulfill the cease-fire conditions imposed by the United Nations (UN) Security Council. Later that same day, Mitterrand would meet privately with United States President George Bush, and the interviewers wanted to know if French forces would join in raids that the United States had been threatening against suspected Iraqi nuclear weapons sites.

Mitterrand has been president of France since 1981. The standard-bearer of the Socialist party since 1971 and a major political actor since the mid-1950s, he was reelected to a second seven-year term in 1988. By general acclaim, Mitterrand is a grand master of political discourse, a verbal artisan who weighs his words with

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<sup>1</sup>The questions and answers from the July 16, 1991, interview are drawn from a transcript provided by the French presidential press office.



unrivaled skill.<sup>2</sup> Whether he always puts this gift to good use is hotly contested, as evidenced by his nickname “the Florentine,” in honor of his Machiavellian nature. Just as he had done at regular intervals throughout the Gulf crisis, Mitterrand summarized for his interviewers on Bastille Day the reasons for French involvement: helping the rule of law prevail among nations, shaping a more effective enforcement role for the UN Security Council, and supporting the unprecedented recognition of the UN’s right to intervene in the internal affairs of a country in order to protect a persecuted minority.

The question of France’s possible participation in renewed military action against Iraq is not so simple as it may appear to an outsider. Will France merely follow the lead of the United States, or will it instead pursue an independent course worthy of its grand ambitions? Such issues have been a frequent focus of Mitterrand’s verbal and diplomatic talents. France’s closest allies, especially the United States, have long dismissed French insistence on independence and rank, rating it as little more than the self-serving and anachronistic legacy of General Charles de Gaulle. Many commentators view this trait as more broadly based in French culture and personality.<sup>3</sup> Some of the most sarcastic observations on French diplomacy have been made by prominent French analysts such as Claire Treán, who decries the “French tendency to pretend they have invented everything, to give lessons, to claim as well all the seats in international bodies and all the commission chairs, the self-glorification and the chauvinistic air of disdain”—in short, the persistent attempt to “ride in first class with a second-class ticket.”

The patriotic reflex of public opinion temporarily enhanced Mitterrand’s standing as a strong leader and improved the image of all French politicians, most of whom backed their president’s handling of the situation. Some prominent figures did not support Mitterrand, most notably his own defense minister, Jean-Pierre Chevènement, who resigned a few days after the air campaign began.<sup>4</sup> While Chevènement has long been at the head of a socialist faction known for its strongly anti-

American rhetoric, he attributed his resignation to the priority he assigned to cultivating the special ties that most French believe they have, or should have, with the Arab world. Much of what irritated the United States and Britain about French diplomacy during the crisis—the insistence until battle began on a special, less committed military status, and an eleventh-hour peace proposal that offered Baghdad a concession (direct linkage of a regional peace conference to Iraqi withdrawal from Kuwait)—can be understood as an effort to convince Arabs and pro-Arab French of the continued importance of these ties, despite France’s participation in the war.

But France’s ambitions foreordained that it would fight in the war. The country prides itself on a long tradition of speaking for Europe, of taking the lead on issues of international importance. This has been especially true for defense and military affairs, in which France has put equal stress on recognizing specifically European interests and on remaining vigilant in spite of the new era of détente. In addition, France’s permanent seat on the UN Security Council became a more valuable asset as a result of the UN’s new effectiveness. France’s attitude during the crisis stood in tremendous contrast to the introversion of German public opinion and diplomacy, and one might even infer a certain eagerness in Paris to demonstrate that a reunited Germany is still inferior to France in some respects.

## A “SHATTERING DIALOGUE”

Having exhausted the topics suggested by the appearance of the Daguet Division, Mitterrand’s interviewers on Bastille Day brought up two issues that had been in the headlines in preceding weeks: Cresson’s performance since becoming prime minister in May, and immigrants and immigration policy. The two issues were combined in one question, as Mitterrand was invited to comment on Cresson’s declarations on the immigrant issue, which had provoked consternation among her own political allies on the left.

The question indirectly challenged the president’s judgment in appointing Cresson to replace Michel Rocard, who had been prime minister since the 1988 elections. Rocard’s tenure had been characterized by quiet negotiation over problems in need of long-term treatment, a strategy deriving in part from his political philosophy but dictated largely by the narrow margin separating the Socialists from a majority in the National Assembly. Rocard had made clear his desire to keep the post until the next legislative elections, to be held no later than mid-1993, yet in France a prime minister from the same political family as the president serves almost entirely at the latter’s discretion. For some time Rocard had been criticized by many fellow Socialists as too “reformist”—too willing to placate business interests and tolerate a “social deficit” (a French political expression for lack of attention to the less well-off). Rocard has also

<sup>2</sup>For more on France under Mitterrand, see Jolyon Howorth and George Ross, eds., *Contemporary France: A Review of Interdisciplinary Studies*, 3 volumes (London: Pinter, 1987-89); Peter A. Hall, Jack Hayward, and Howard Machin, eds., *Developments in French Politics* (New York: St. Martin’s Press, 1990); James F. Hollifield and George Ross, eds., *Searching for the New France* (New York: Routledge, 1991); and the special issue of *French Politics and Society*, vol. 9, nos. 3 and 4 (Fall 1991).

<sup>3</sup>Richard Bernstein, *Fragile Glory: A Portrait of France and the French* (New York: Knopf, 1990) takes this idea as one of its main themes.

<sup>4</sup>Less noticed everywhere was the opposition voiced by André Giraud, who preceded Chevènement at the Defense Ministry. Giraud is “on the right,” though not a politician, and is known mainly for his work as a high-level civil servant.

long been a presidential aspirant and thus a rival to Mitterrand.

Mitterrand has his own views on how best to prepare the political terrain for the 1993 elections. According to the president, appointing a new prime minister was meant to help the country achieve "Objective 1993": adaptation to the new environment of international economic competition that is being created by the "EC 1992" project (the body of single-market reforms currently being enacted by the 12 members of the European Community [EC] and scheduled for completion by January 1, 1993). Political commentary on the appointment has paid more attention to the domestic political calculations required by the approach of the 1993 legislative elections. Mitterrand had earlier described Cresson's task as one of provoking a "shattering dialogue" in French political life—something she quickly accomplished, though perhaps not precisely in the manner envisaged by the president.

A supposed friend of business—as minister of European affairs under Rocard, she had resigned because she found him not aggressive enough in promoting French interests in the face of Japanese and German competition—Cresson sent a shudder of anguish through French financial circles when she remarked soon after her appointment that she "didn't give a damn" about the stock market. She tried to stimulate public awareness of the dangers of Japanese competition by comparing the Japanese people to ants (insects with a monotonous lifestyle that the French do not wish to imitate) as well as to rats (who are "out to screw the Europeans and the Americans").<sup>5</sup> Such comments were capped by Cresson's assertions that "Anglo-Saxon" (that is, British and American) men pay insufficient attention to women because of a stronger tradition of homosexuality in their cultures than in Latin ones.

Perhaps because of this "shattering" style, Cresson's popularity suffered a drop in public opinion polls that was unprecedented for a new prime minister. Mitterrand nevertheless defended her "lively language" as mere plain speaking, the voice of the people as opposed to that of the technocrats who have usually occupied high posts in France. In fact, he believes that Cresson's kind of language is needed to shock some French into changing their habits so that they will be better prepared for the "battle of Europe" in 1993.

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<sup>5</sup>Japanese commentators retorted with Aesop's fable of the ant and the grasshopper, in which the hardworking and prudent ant fares much better when winter comes than the procrastinating grasshopper.

<sup>6</sup>Chirac is also leader of the neo-Gaullist party, the *Rassemblement pour la République* (RPR), was twice prime minister (the second time under Mitterrand, from 1986 to 1988), and was Mitterrand's chief opponent in the 1988 presidential election.

## POLITICIZING IMMIGRATION

Mitterrand and Cresson apparently felt that it was also necessary to shock some people on the immigration issue. But instead of adopting a position natural to leftist politicians—the moral high ground of defending the rights of immigrants against racist and xenophobic reaction—Cresson implied that her government would show greater zeal than the previous one in enforcing laws covering illegal immigration. In a televised interview she casually mentioned that authorities might have recourse to "special planes" in deporting illegal aliens; this immediately reminded her interviewers of the so-called charter plane used by a government of the right in 1986 to return 101 alleged illegal immigrants to Mali. Thus was launched a new phase of the interminable partisan quarrel in France over immigration, this time with much of the left worried that its leaders were succumbing to the temptation to curry favor with the electorate.

Legal and illegal immigrants, as well as the state's policies toward these people, have been real-life issues for decades. Only in the past ten years have the problems grown acute and played a significant role in what the French call the "politics of politicians"—that is, the public posturing and private calculation believed necessary to the creation of a winning bloc of voters.

The crux of this complex matter is perhaps best illustrated by an exchange between Mitterrand and one of his interviewers. The president suggested that current problems should not be insurmountable, because France had already absorbed proportionately comparable waves of immigrants in the past; to which the questioner replied, "Yes, but they were white and Catholic. . . ." There are many legal immigrants in France from the poorer regions of Western Europe, and there is growing concern about Eastern Europeans who would rather take their chances as illegal aliens than wait for prosperity to blossom in their own countries. But the immigrants at the center of the current controversy are the *Maghrébins*, that is, the North Africans and their descendants, who are Arab and Muslim.

In answering the question about Cresson's new approach to immigration, Mitterrand retorted that the current round of polemics had been initiated by the parties of the right, not by the prime minister. The month before Cresson suggested the use of "special planes," Jacques Chirac, the mayor of Paris and a prominent leader of the right, gained notoriety with a few flamboyant after-dinner remarks.<sup>6</sup> He expressed his sympathy for the plight of a French couple of modest means living in a public housing project in Paris, who every day were confronted with a large immigrant family on the same landing: "a family crowded together with the father, three or four wives and twenty or so children, getting 50,000 francs [\$8,500] in welfare payments, naturally without working. If you add to that the noise and the odor, the French worker on the landing goes crazy." When pressed, Chirac was unable to find any actual

examples of this supposedly typical immigrant situation. Nevertheless, the remarks apparently contributed to Chirac's slightly improved standing in opinion polls.

But it is clear that Mitterrand and the Socialist party have much to gain in electoral terms from certain aspects of the immigration problem. Indeed, several respected observers of French politics accuse the Socialists of having intentionally cultivated the problem as their not-so-secret weapon against the right.

The National Front (FN), an extreme-right party, wins between 10 and 15 percent of the vote in elections thanks to its "France for the French" message. Reacting to Chirac's "noise and odor" remarks, FN leader Jean-Marie Le Pen tartly commented that people prefer the original to a copy. Le Pen once described his success as based on voters' disgust with the inability of traditional politicians to halt France's decline, which he summed up in the formula "political AIDS: affairs [scandals], immigrants, drugs, and socialism." The left is Le Pen's prime target. But it is the traditional right that could suffer most from National Front agitation; it must keep its supporters from defecting to the extreme right without losing its soul in the process.

As at other times and in other countries, ethnic and racial tensions are exacerbated when the economy is performing poorly. Opinion polls show unemployment to be of far greater concern to the French than immigration, which comes in a distant second. Yet politicians privately admit that they do not have distinctive policies to remedy unemployment. They have turned instead to the next, related problem on the list of public concerns, where they find it easier to sow partisan dissension and reap its rewards—with disastrous consequences for the country.

## EUROPE AND FRENCH IDENTITY

For the Bastille Day interview, the television image showed Mitterrand seated with two flags at his side: the blue, white, and red banner of France closest to him, and a bit farther off, the EC flag, a circle of twelve gold stars on a field of dark blue. Apart from the extreme right and the Communists, nearly everyone in France agrees that the intractable problems of unemployment and immigration are best resolved through concentration on the EC. Or as the president and the prime minister are fond of saying, purpose and prosperity will come from focusing on "Objective 1993" and on "winning the battle of Europe." And given the public's belief in the importance of Europe, if a French politician or party can claim credit for success in European matters, so much the better.

France has been among the most zealous of the EC countries in working to realize "European union," the

currently fashionable phrase for the individual political and economic-monetary projects that have hitched themselves to the 1992 bandwagon. Major upheavals in the "outside world," such as German unification and the Gulf war, have only heightened the commitment of most of the French elite to the undertaking. Moreover, France's credentials as a good European extend beyond the strict confines of the EC—for example, its central role in the Airbus (commercial aviation) and Ariane (commercial satellite launching) enterprises.

Since the beginnings of the EC, progress in the construction of Europe has almost always depended on agreement between France and Germany. The two countries have had their "special relationship" repeatedly tested, and perhaps no greater trial could have been devised than the unexpected reuniting of Germany. Before reunification, the two countries were roughly equal: West Germany had a larger population than France but a lower birthrate; France possessed a nuclear arsenal and special ties to francophone Africa and the Arab world, attributes thought to compensate for a smaller gross national product than Germany's. Suddenly, with the opening of the Berlin Wall and the fall of Communist regimes in Eastern Europe, the balance changed. A united Germany would definitely be larger than France, demographically and economically. And the fading of the military threat from the east turned the French nuclear arsenal into a less significant bargaining chip with Germany.

Through the first half of 1990 France was apparently unable to find a suitable approach to the changes in its neighbor and closest partner in Europe. The majority of French people feared the consequences of German unification. France's relative weight in European deliberations was certain to be reduced, and continued progress in the construction of Europe was less assured. Given the past 120 years of European history, media pundits could be expected to cultivate such concerns.

Yet even Mitterrand, a patient architect of solid Franco-German relations, betrayed signs of pique over the course of events in Germany and made diplomatic moves that will not soon be forgotten in Bonn (or Berlin). He repeatedly acted as if France could find common ground with others—East Berlin, Moscow, London, Washington—to slow down the process of reunification. When rapid movement toward a single Germany became certain, he made moves (such as the unilateral decision to withdraw all French troops from Germany) suggesting that Franco-German cooperation would from now on be "founded on the perspective of more intense competition and on wariness rather than confidence."<sup>7</sup>

German reunification and the end of the cold war made especially problematic the long-standing French desire for a stronger European role in defense matters. Before 1989 there was a certain logic to the idea that Western Europe should take more responsibility for its own defense. In the "new Europe," however, Germany in

<sup>7</sup>Claire Tréan, "La France et le nouvel ordre européen," *Politique étrangère*, vol. 56, no. 1 (Spring 1991); see also Jane Kramer, "Letter from Europe," *The New Yorker*, July 29, 1991.



particular is little interested in creating security structures that might seem to go against the spirit of détente and cooperation ushered in by Soviet President Mikhail Gorbachev's policies.

Thus France has been as solitary as ever in its protests against the most recent reforms of the North Atlantic Treaty Organization (NATO). France's main achievement in this regard through mid-1991 was official NATO recognition of a legitimate future role for the EC in defense matters. A favorite French alternative to NATO-based arrangements is the Western European Union (WEU), which consists of 9 EC members (the 12 minus Ireland, Denmark, and Greece). The WEU played a minor part in the Gulf war by coordinating EC countries' naval patrols in the Persian Gulf. But much like the presence of the victorious Daguet Division in the Bastille Day parade, even this success of the WEU was a "somewhat bitter" reminder of how little Europe had counted in the management of the crisis.

In April 1991, 40 prominent French political, business, and intellectual figures from all currents of mainstream politics signed an appeal for a redoubled effort to achieve European union:

Neither the rapid conclusion of the Gulf War nor the diplomatic and military role played by France and Great Britain can hide the fact [that was] strikingly evident at the height of the crisis: the absence of Europe.

Incapable—for lack of the necessary structures—of making its voice heard and of being present militarily, the [European] Community was unable to count in a major crisis where its essential interests were directly at stake. The time has come for [the EC] to learn . . . from this experience.

In order to defend its values and assure its security, the Community must become a political power in its own right.<sup>8</sup>

The authors go on to write of the need for economic and monetary union, "in order for the European model of society to be grounded on a solid economy." The free-trade and free-market zealots in London and Washington will find the reasoning difficult to comprehend.

Thus the idea of Europe ties together the international concerns evident in the French response to both the Gulf war and the domestic immigration problem. A more successful EC will mean fuller realization of widely shared French goals in both realms. But a more successful EC also implies a France more engaged in the common European enterprise and less obsessed with purely national politics.

<sup>8</sup>"L'Europe doit rebondir," *Le Monde*, April 6, 1991.

<sup>9</sup>*Time* (International Edition), July 15, 1991.

## FRENCH MALAISE

France's condition in 1991 merits a cautionary appraisal. Uncertainties abound in the short term because of the fragility of many domestic and international arrangements. In the long run, France will probably be a stable and prosperous country involved in an ever-thickening web of European institutions. But, as John Maynard Keynes once reminded his detractors, we all live in the short run.

There is much that is positive to report about France today. The business community is sanguine about the prospects for a Europe-wide boom in which it stands to profit handsomely. Government decentralization has put more responsibility in the hands of regional and local officials. National political debate has in general become more pragmatic and less ideological. Young people in particular are optimistic about European union and cooperation with Germany. Many large projects run or encouraged by the French state are world-class successes. Perhaps we should simply conclude as did the *Time* reporter who recently wrote, "France stands to become a keystone of twenty-first-century power—so long as the French people manage to keep their cool."<sup>9</sup>

But the French may have difficulty keeping their cool for good reason. Despite the successes of the economy and of state institutions, despite the allegiance of nearly everyone to the Fifth Republic, and despite Mitterrand's indubitable accomplishments and political acumen, there is widespread agreement in France that malaise is deep and growing over the state's inability to respond rapidly and appropriately to demands from below. Soon after the end of the Gulf war in March, with further revelations in an ongoing plague of political scandals, the popularity of French politicians and their parties plummeted to new lows. When reporters asked on Bastille Day about the reigning air of malaise, Mitterrand riposted, "There's always a malaise. You interpret it very well yourselves, so let me tell you how things can get better." His solution, once again, was economic growth, and thus European union.

The main trouble with France today is that the French have outgrown their love affair with the authoritarian, centralized approach embodied in an all-powerful president-monarch acting through an arrogant technocratic bureaucracy. The country would become more self-confident and thus a more powerful part of Europe if it could find ways to remedy the "democratic deficit" of its current political makeup. Such reforms would include more complete decentralization, a greater role for the National Assembly, and government structures that invite the participation of individuals and private organizations. If French citizens believed that their government was capable of meeting their needs more efficiently and humanely, with solutions in which they had participated, France could then move ahead with greater assurance toward the promised land of European union. ■

"[T]he next election will turn on the state of the economy or issues of the moment. But whatever the election's outcome, the next government will almost certainly eschew the highly controversial and polarizing initiatives that marked the Thatcher era."

## The End of an Era in British Politics

BY JAMES E. CRONIN

It has been one year since British Prime Minister Margaret Thatcher's fall from power in November 1990—long enough to become accustomed to the relatively innocuous presence of her successor, John Major, but not nearly long enough to become accustomed to Thatcher's absence. Has there been time enough to assess the accomplishments, the legacy, of the 11 years and 7 months of Thatcher's Conservative rule?<sup>1</sup>

Perhaps such assessments should await the outcome of the next election, to be held by June 1992, which might be regarded as rendering a provisional verdict. But it is certain that the Conservative party has conspicuously distanced itself from key tenets of "late Thatcherism." John Major, the new Conservative prime minister, has adopted a "kinder, gentler" personal image than Thatcher's and a more conciliatory stance toward Europe, and in May his government abandoned Thatcher's unpopular poll tax.

It might even be argued that recent changes in the programs and rhetoric of the two major British political parties constitute the best indicators of the fate of Thatcher's vision. Both parties have moved to the cen-

ter: a Labour party policy review has produced a markedly more moderate program than the ones presented in the elections of 1983 and 1987, while the Conservative party has with equal clarity abandoned the right-wing radicalism that characterized it during much of the Thatcher period.

The movement toward the center suggests that the achievements of Thatcher's first two terms in office—the tax cuts, the attempt to rein in public spending and dampen inflation, the taming of the unions, the selling off of public housing, and the privatization of nationalized industries—were more widely accepted than the initiatives of Thatcher's third and last term. It suggests too that politicians of all sorts recognize that the challenges of the 1990s are likely to require a different mix of policies and a more flexible orientation than Thatcher and her governments exhibited.

The British public's initial response to Thatcher's removal was to reward Major and the Conservatives with their first lead in the opinion polls for some time. That lead persisted throughout the period surrounding the Persian Gulf war of January–February 1991, during which Major took on the role of America's best ally and spokesman in Europe. His performance confirmed his accession to office while muting the debate over Europe. No longer was Britain merely responding to the pressures of its more prosperous economic partners; it was now pushing the reluctant European powers into a "virtuous war." The effect did not last, but the episode ensured that there would be no second thoughts about the decision to drop Thatcher, and that the movement away from her legacy would not be quickly or easily reversed.

### WHY THE COUP?

The first and most dramatic of the moves away from Thatcherism had of course been the Conservative party's coup against Thatcher's continued leadership. The coup was an extraordinary event, requiring the courage that is only born of desperation. Many Tories were clearly convinced by the fall of 1990 not only that Thatcher was an electoral liability, but that she was no longer reliable.

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<sup>1</sup>Several writers were tempted by the completion of a decade of "Thatcherism" to publish books that attempted to evaluate it, but these efforts have been overtaken by Thatcher's sudden departure from office, and all would need to be qualified; the experience argues for caution. Among the best of the genre are Hugo Young, *The Iron Lady: A Biography of Mrs. Thatcher* (New York: Farrar, Straus & Giroux, 1989); Peter Riddell, *The Thatcher Decade: How Britain Has Changed during the 1980s* (Oxford: Basil Blackwell, 1989); and Dennis Kavanagh and Anthony Seldon, eds., *The Thatcher Effect* (Oxford: Clarendon Press, 1989).

Thatcher had often been stubborn and strongly ideological, but the persona and the ideas had been kept under control by a keen sense of what was politically possible.

Thatcher may have extended the boundaries within which conservatives could speak and act, but she did so gradually and was careful in her selection of opponents and the timing of her battles. She may have long detested Arthur Scargill, the president of the National Union of Mineworkers, but did not take on the miners until she was quite sure she could win. She may always have been a patriot and fond of military action, but she did little on that score until 1982, when Argentina provided her with a nearly perfect opportunity by invading the Falkland Islands and United States President Ronald Reagan gave his blessing to the British military response.

Between June 1987 and November 1990, Thatcher's behavior changed. No longer guided by her sharp political intelligence, it was instead dominated by a renewed ideological fervor that had not been much on display during the general election. During the 1987 campaign, in fact, the Tories had promised more of the same: a continuation of the government's hard-line policy on defense; a steady hand on the economy to keep inflation down and encourage growth; lower taxes; more legislation aimed at weakening the unions; and further privatization. Thatcher had hoped to wage a positive campaign on behalf of a more radical program, but Labour's unexpected strength forced the Tories to revert to a primarily negative attack. "Britain Is Great Again," Tory party advertisements read, "Don't Let Labour Wreck It."<sup>2</sup>

The election produced unclear results. Labour emerged strengthened but still far short of the votes needed to overtake the Tories. The Alliance party of Social Democrats and Liberals received slightly fewer votes than in 1983, but won a very small number of seats and so was understood to have failed decisively. The Conservatives were not given a mandate to move further to the right, but they scored a victory solid enough to embolden Thatcher. She proceeded to encourage her ministers to develop plans and propose legislation on education, health, and local government that had not been much discussed before the election and that would prove controversial.

In education, for example, the Tories had for some time evinced a hostility to the state sector: they were not happy with comprehensive (non-college preparatory) schools, resented the autonomy and the politics of local

education authorities, fought bitterly with teachers unions over pay, and complained endlessly about the decline of standards. A series of more or less radical reforms was promised in the Conservative manifesto, but during the election Education Secretary Kenneth Baker had spoken in moderate tones about reform. The legislation that was passed in 1988 was anything but moderate, however. It allowed parents to vote on whether schools should opt out of local authority control and called for a national curriculum and for testing at ages 7, 11, 14, and 16.

A similar if less drastic approach was adopted toward the National Health Service. Central government funding and universal access were to be maintained, but there would be greater opportunities in the system for internal markets and subcontracting arrangements and for hospitals to become "self-governing." Important constituencies of providers and clients in education and health feared at the time and still fear that behind the Tories' interest in efficiency and choice lies a desire to lower the standards of service.

The most contentious proposal of late Thatcherism was the poll tax, or "community charge." The government's plan, which again received scant publicity during the election campaign, was to eliminate local property taxes based on the rental value of property and to substitute a fixed charge per resident for the cost of local services. The poll tax was to some extent a continuation of earlier efforts to control the spending of local government by means of devices like rate-capping. But it went much further, replacing a flawed but progressive tax with a highly (and visibly) regressive levy.

Thatcher was told repeatedly that the poll tax would not work, but she persisted, and it was adopted in 1988, with implementation scheduled in Scotland for 1989, and in the rest of Britain for April 1, 1990. Collecting the tax proved difficult in Scotland, and the tax's imminent imposition elsewhere prompted large-scale demonstrations throughout England in March 1990, and a violent confrontation in London's Trafalgar Square on the last day of that month. The unpopularity of the tax was a key factor in Conservative defeats in a Mid-Staffordshire by-election on March 22 and in local elections in May.

The government was also hurt by mounting economic troubles. Inflation had fallen in the early and mid-1980s, as unemployment rose and then persisted at extremely high levels. By 1987 inflation seemed to be under control, jobs were being created, and the Conservatives were able to take credit for a modest revival. Growth continued, especially in the south, through the beginning of 1990, but inflation rose from rates as low as 3.3 percent in early 1988 to nearly 11 percent by the fall of 1990. As inflation climbed so did interest rates, especially for home mortgages. The rising mortgage payments were particularly damaging to Conservative fortunes, since they often affected those who had previously benefited the most from Thatcher's policies.

<sup>2</sup>David Butler and Dennis Kavanagh, *The British General Election of 1987* (New York: St. Martin's Press, 1988), pp. 109–110. See also A. Heath, et al., *Understanding Political Change: Voting in Britain, 1964–1987* (Oxford: Pergamon, 1990); and W. Miller, et al., *How Voters Change: The 1987 British Election Campaign in Perspective* (Oxford: Clarendon Press, 1990).



Eventually unemployment rose as well and continued to increase through 1990 and into 1991. None of this helped the Tories or Thatcher.

## LABOUR'S REVIVAL

Nor was the Conservative party helped out this time by Labour, whose mistakes and disarray had been a boon to Thatcher in the late 1970s and early 1980s. In 1973 Labour activists, disillusioned by the poor prospects for political reform and angry at the duplicity and ineffectiveness of party leaders, had restructured the party to make the leadership more accountable. Labour's program also moved sharply to the left, particularly on defense and the economy. These developments disturbed many voters, and the problem was compounded by the bitter internal arguments that accompanied Labour's transformation. The Conservatives were able to turn Labour's troubles to their advantage in 1979 and in 1983, and in 1987 they could rely on a negative campaign at the end to frighten voters away from Labour.

But Labour's new leader, Neil Kinnock, did much to reassure voters in 1987, and he set out after that to do even better. The fall after the election the party began a policy review that culminated in 1989 in a new, more moderate program that gave the Conservatives far fewer targets for attack. Most important, Labour's gradual move away from a more radical policy on nuclear weapons, combined with the ending of the cold war, removed from the center of political debate the issue of defense, whose prominence usually worked to the benefit of the Tories. Kinnock has also been remarkably successful at managing the party's internal affairs, effectively purging the fringe Trotskyist group, "Militant Tendency"; isolating supporters of Tony Benn, the leader of the party's more moderate left wing; reassuring the right; and keeping the unions behind him.

Kinnock has not, however, impressed the intellectuals and pundits—R. W. Johnson has repeatedly used his column in *The New Statesman* to question Kinnock's intelligence, and Noel Annan recently judged him "spunky but ignorant." The Labour leader has nevertheless presided over a remarkable rebound. Kinnock kept the party together when it seemed to be coming apart, resisted pressures to coalesce with the Liberals and Social Democrats (and went on to see the Alliance expire as a serious threat to Labour), and managed the modernization of the party's appeal and of its machinery for making policy and waging campaigns. Kinnock thereby positioned his party to profit from Conservative losses. By mid-1990, Labour was far ahead of the Tories in all the opinion polls.

## THATCHER AGAINST EUROPE

Labour's revival, and its persistent gains throughout 1990, were thus a major factor in convincing Conservatives that Thatcher had to go. But Thatcher showed no sign of leaving, and, more disturbingly, showed few signs

of bending before the threat of electoral defeat; on the poll tax, for example, the government made only modest financial concessions. Thatcher also betrayed a troubling lack of realism over Europe.

The prime minister had never been ideologically or emotionally committed to Europe. She spent her first term fighting over Britain's monetary contribution to the European Community (EC) and opposing the EC's Common Agricultural Policy. But the financial arrangement worked out at an EC ministers meeting in Fontainebleau in 1984 temporarily settled these disputes, and for the next three years the Thatcher government played a far more positive role with regard to Europe. The government was especially keen on breaking down barriers to trade and investment, and became a major supporter of the effort to create a single market by 1992. After 1987, however, Thatcher became less enthusiastic as it became clear to her that integration with Europe would have not just economic, but social, legal, and political dimensions as well.

Thatcher had reasons for resisting a transfer of power to the EC, since Britain was out of line with European practice on several critical issues. The European Court of Justice had forced the British government to strengthen laws relating to sex discrimination and regulating telephone wiretaps and the interception of mail. Britain has also been, and remains, vulnerable to criticism over its treatment of the Irish. British standards on the environment and, more embarrassing, on food inspection, also fall short of European norms; scandals over salmonella in eggs and chicken and over "mad cow" disease have served to underline the potential meaning of closer political integration. British farmers, butchers, and other food processors would not be able to export their products to other EC members unless they raised their standards to EC norms and permitted inspections; while the cost of raising their standards may not be high, the food processors resist such changes as a loss of control over how they do business. Moreover, during the Thatcher decade the level of public services in Britain fell far below that in the rest of the European Community; taxation and public spending now constitute a lower proportion of gross domestic product in Britain than in any other EC country.

Thatcher apparently found the prospect of European institutions imposing European standards on Britain frightening. Particularly upsetting were the efforts of the EC's Commission, headed since 1985 by the French socialist Jacques Delors, to spell out the "social dimensions of the internal market" as the EC nations moved toward integration. In 1987, Michel Hansenne, the Belgian EC president, had raised the issue of the EC's need to specify and guarantee "fundamental social rights" as 1992 approached; by 1989 the Commission had issued a "Social Charter," which was denounced by Thatcher as a "socialist charter" but adopted by the EC's Council of Ministers nonetheless. There was, and remains, no

mechanism by which the provisions of the "Social Charter" can be enforced, but its very existence apparently suggested to Thatcher the possibility that socialism, although beaten in Britain, could be reimposed from Brussels.

This was a somewhat extreme vision, but not unreasonable considering the highly ideological worldview held by Thatcher and her closest allies. Unfortunately for the prime minister, it was not shared by the majority of her government or the Conservative party; nor was it the view of most British businessmen. Indeed, business—London's financial establishment especially—was entranced by the prospects of the single market and firmly committed to its implementation. So too were the two ministers who had been primarily responsible for economic policy under Thatcher, Geoffrey Howe (Thatcher's first chancellor of the exchequer and subsequent foreign secretary) and Nigel Lawson (her second chancellor of the exchequer). The result was increasing tension between Thatcher and the most important members of her government.

Thatcher signaled her resistance to Europe in a speech at Bruges, Belgium, on September 20, 1988. Howe and Lawson managed, however, to prevail on her to commit Britain to Delors' plan for European economic and monetary union, which had been worked out at the EC summit in Madrid in June 1989. This meant linking the British pound to other EC currencies and accepting the discipline of the international market.

Thatcher was skeptical, though her arguments concentrated more on sovereignty than economics; she claimed that Delors' plan for economic and monetary union would jeopardize Britain's long tradition of political independence. Her close friend, Trade and Industry Minister Nicholas Ridley, went much further, predicting in July 1990 that the new arrangements would lead to German domination of the entire continent.<sup>3</sup> Ridley was forced to resign over the gaffe, but it seemed to many that he spoke the prime minister's mind.

There may well have been an economic analysis lurking behind Thatcher's patriotic rhetoric. As one commentator has argued, "all Thatcher meant by national sovereignty was her own unfettered discretion to screw up the economy once every four years for electoral purposes."<sup>4</sup> Less cynically, it may be suggested that Thatcher was more aware than her advisers of how precarious the economic recovery of the late 1980s actually was. She certainly knew that wage increases in manufacturing had been consistently high and that industry therefore was less competitive than public pronouncements implied. So long as domestic consumption con-

tinued at a high level, the problem did not have to be faced. But if demand fell off, it would have to be confronted.

## THE OUSTER

Thatcher persisted in her essentially negative stance through the fall of 1990. Out of step with respectable opinion on Europe, unwilling to back down over the poll tax, and increasingly isolated in her own party, which trailed Labour by roughly 20 points in the polls, she was removed from the Conservative party leadership in November 1990.

The first blow was dealt by Geoffrey Howe. After he and Lawson had pushed the prime minister into the concessions made at the Madrid summit, relations between them and Thatcher deteriorated. Howe had been removed as foreign secretary in July 1989 and replaced by a relative newcomer, John Major. Although Howe was made leader of the House of Commons and deputy prime minister (a largely honorific title), he deeply resented his demotion. Three months later, Lawson, who had been serving as chancellor of the exchequer, was provoked into resigning when Thatcher refused to repudiate statements by Sir Alan Walters, her personal economic adviser, that implicitly criticized Lawson's position on Europe. Lawson too was replaced by Major, who was obviously seen by Thatcher as quintessentially reliable.

Howe continued in the Cabinet and remained loyal throughout the difficulties over the poll tax, but by the fall he was unable to contain himself. He resigned his two positions on November 1 and two weeks later delivered a scathing attack on Thatcher in the House of Commons. This signaled that Thatcher had lost the confidence of Tory insiders, and it prompted former Minister of Defense Michael Heseltine to declare himself a candidate for leader of the party. In the ensuing vote among Conservatives in the House of Commons, Thatcher failed to gain a sufficient majority, and was pressured to resign. Her supporters threw their votes to Major, who became prime minister on November 29.

## THE RIGHTS OF CITIZENS

The circumstances of Thatcher's political demise suggest the distance that politicians and the public had moved away from Thatcherism, if indeed they had ever embraced it. Thatcher had not won her cultural revolution, her crusade to foster "Victorian values" among ordinary citizens, and so could carry neither the public nor the party with her on the initiatives of her third term. It seems that as Thatcher moved further to the right, the Conservative party moved to the center.

Perhaps the most visible manifestation of these movements was the rather curious discussion about citizenship that emerged in the late 1980s. Neither the term nor the concept of citizenship has a rich history in the United Kingdom; British citizens have always been sub-

<sup>3</sup>Dominic Lawson, "Saying the Unsayable about the Germans," *The Spectator*, July 14, 1990, pp. 8–10.

<sup>4</sup>Auberon Waugh, "Why Were All the Tory Wiseacres So Extraordinarily Stupid?" *The Spectator*, December 1, 1990, p. 8.

jects first and only secondarily citizens with rights. Britain has never had a bill of rights, and there is no constitution setting out the rights of citizens and those of the state. Citizens were granted rights through legislation passed by Parliament, whose decisions were supreme but could be withdrawn or redefined.

Over the course of the nineteenth and twentieth centuries the practical meaning of British citizenship was expanded to include a broad range of civil, political, social, and economic rights; indeed, the welfare state put in place after 1945 can to some extent be defined in terms of the extensive set of rights it sought to guarantee. But in fact nothing was guaranteed, for rights could always be taken away. The thrust of public policy under Thatcher was to do precisely that.

Thatcher's opponents responded by arguing for a broadened definition of citizenship. This served both tactical and substantive purposes. Tactically, it was easier to defend citizenship than socialism, which was how Thatcher preferred to frame the debate; it was also easier to defend social programs if they could be described as rights rather than benefits or, worse still, privileges. More substantively, the discourse on citizenship gave her critics a way to point up certain peculiarities of "Thatcherism."

Thatcher was no ordinary conservative, eager merely to wave the flag and reduce taxes for the rich. She had unique insight into the institutional and cultural underpinnings of politics, and deliberately set out to change them. Thatcher sought to shift the boundaries between state and society, shrinking the responsibilities of government and enlarging the role of the private sector. She aimed to restructure and restrict the public sphere, undercutting the very purpose of government participation in society and hence quite consciously redefining the political rights of citizenship. The Thatcher governments also posed a threat to civil rights, for they exhibited a contempt for local government, demonstrated a strong predisposition toward secrecy, and were cavalier in suppressing dissent. Talking about the meanings of citizenship was therefore a way of understanding Thatcher's significance.

It was also a means of mobilizing opposition. One of the most notable anti-Thatcher initiatives of the 1980s was the launching of Charter 88 by an ad hoc liberal coalition. The charter called for a written constitution containing a bill of rights, restrictions on the executive, freedom of information, proportional representation, a reformed and independent judiciary, abolition of the House of Lords and its replacement with a democratically elected upper chamber, protections against the arbitrary exercise of state power, and a more equitable distribution of power between local, regional, and national government. Launched during the 300th anniversary of the Glorious Revolution of 1688, Charter 88 was testimony not only to the broad dissatisfaction with Thatcher shared by the left and center, but also

to the new appreciation among her opponents of the value of citizenship.

The argument over citizenship constituted the opposition's most penetrating and effective critique of Thatcher, and it prompted Conservatives to offer their own vision of citizenship. In his speech to the Peel Society in February 1988, Home Secretary Douglas Hurd sought to appropriate and recast the language of citizenship used by the government's critics. He explained the rise in crime rates by the loss of social cohesion. The way to increase cohesion was to encourage active citizenship—his key example was the Neighbourhood Watch scheme—but Hurd also advocated greater participation by parents in the running of schools and an increase in volunteerism. Hurd's theme was echoed by Education Secretary Kenneth Baker, and was deemed sufficiently useful for the government to set up in December 1988 a Commission on Citizenship.

## A MOVE TOWARD THE CENTER

The Conservative government's recognition of the need to enter the debate on citizenship was at least an oblique acknowledgment, well before Thatcher herself was removed, of the movement of public opinion away from Thatcherism and toward the center. So too was the revival of Labour's fortunes, for Labour steadily advanced its standing as its policies came to be accepted as centrist. The eclipse of the Alliance (now the Liberal Democratic party) might also be seen in the same terms, for as the two major parties moved to the center, a specifically center party became superfluous.

Perhaps even more indicative of the strong movement toward the political center is the fact that Thatcher's successor, John Major, has chosen to make advocacy of citizenship the "big idea" of his government. Major has broken with Thatcher's legacy in several respects, but nowhere is the difference more noticeable than in his embrace of the concept of citizenship. Major's personal contribution was to issue a White Paper in July 1991 proposing a "Citizen's Charter" that would embody consumers' rights and set up procedures for the redress of grievances against unresponsive bureaucracies.

What will this "recentering" of British politics mean for the major parties? Will it allow Labour to continue its advance back into power, or allow the Conservatives to recapture voters scared away by the extremism of Thatcher's last years? Or will the Liberal Democrats surprise everyone and stage a comeback? The polls suggest almost equal support for Labour and the Conservatives, with little hope for the Liberal Democrats. If such is the underlying balance, then the next election will turn on the state of the economy or issues of the moment. But whatever the election's outcome, the next government will almost certainly eschew the highly controversial and polarizing initiatives that marked the Thatcher era. British politics may become somewhat less exciting, but that is probably a good thing for British citizens. ■



"Solidarity with a united Europe or *Sonderweg*, a separate course, are Germany's fundamental strategic options. For the moment, solidarity has half-heartedly won out. This could change in the near future, given the growing pressures at home and the policy demands abroad."

## Germany Searches for a New Role in World Affairs

BY DAVID B. WALKER

Germany faces major challenges in domestic and foreign policy. Domestically, the task of reviving the former East Germany has proved to be costly, both in money and morale. Internationally, Germany's responses to the Persian Gulf crisis in August 1990 raised questions about its ability to conduct effective foreign relations. The true expense of absorbing East Germany and the outbreak of war in the Gulf in January of this year were unforeseen by the German leadership, and both added new and different stresses to the domestic and foreign policy agendas. While the domestic implications of reunification are still emerging, Germany's uncertain performance during the Gulf conflict provides an initial opportunity to examine the quandary that German policymakers and the German people confront as they attempt to carve out a constructive and popular international role for their newly sovereign nation.

### FROM THE HEIGHTS TO THE DEPTHS

On October 3, 1990, Germans celebrated the formal reunification of their country. After 45 years, a single state with a population of 78 million became the most powerful economy in Europe. Yet despite President

Richard von Weizsäcker's assurance that "we want to serve peace in a united Europe and the world," polls showed that many non-Germans and 25 percent of the West Germans along with 12 percent in the former East Germany opposed *Einheit* (forging one entity).<sup>1</sup> Skeptics feared that a reunited, resourceful Germany might dominate the continent and assume semi-superpower status. The United States, however, was among the strongest foreign supporters of reunification and had already begun to adjust its security policies toward Europe to provide for a major leadership role by Germany.

Only three and a half months later, there was doubt about whether Germany possessed the political, social, and civic solidarity to play a major international role—other than economic—because of its wavering reactions to and half-hearted actions in the Gulf war. A few days after air strikes against Iraqi targets began on January 17, a poll by the respected Infas Institute found that 79 percent of the respondents believed that the use of force against Iraq was wrong. Another poll indicated that 70 percent disapproved of the war and 68 percent were afraid that the fallout from the destruction of chemical and nuclear facilities in Iraq could menace German cities.<sup>2</sup>

Little more than a week later, between 45 and 60 percent of the population (depending on the base figures and follow-up survey data used) did a partial about-face on the Gulf war. A ZDF-Politbarometer survey showed that 71 percent now approved of allied military action against Iraq, with 21 percent opposed. Victory for the United States and the allied coalition was forecast by 82 percent, and a strong German fiscal contribution to the allied effort was sanctioned by 57 percent.<sup>3</sup> On January 28, *Der Spiegel* published a poll taken at about the same time as the Politbarometer's. In response to the query, "Who is to blame in the Gulf?," 68 percent singled out Saddam Hussein, 4 percent selected United States President George Bush, and 24

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<sup>1</sup>*Der Spiegel*, special issue, "A Profile of the German's," January 1991, p. 21.

<sup>2</sup>Survey results are from *Die Zeit*, "Umfragen zum Krieg," January 25, 1991, p. 16, and *Newsweek*, "Germany: Antiwar Ally," February 4, 1991, p. 43.

<sup>3</sup>*Süddeutsche Zeitung* (Munich), "The Mood in January," January 29, 1991, p. 10.

percent felt both were responsible.<sup>4</sup> While not abandoning their caution, the centrists in the German electorate scrapped the “politics of closing one’s eye” to the Gulf conflict largely because of the events that transpired between January 18 and 26.

The first major development affecting German opinion was Iraq’s January 18 rocket attacks on Tel Aviv and Haifa, which produced German expressions of support and solidarity. In practical terms, this generated a trip to Israel by leading government and opposition leaders, 250 million deutsche marks (DM), about \$150 million, in humanitarian aid with a promise of more to come, and defense supplies, including an offer of German Patriot missiles. “We Germans have a special responsibility to protect Israel’s right to exist,” Chancellor Helmut Kohl declared.

Three largely media-related events also occurred that helped reveal the character of Iraqi President Saddam Hussein’s regime, especially for those who persisted in viewing Saddam in “morally neutral” terms or as a leader who had been subjected to hostile image manipulation by Western media and politicians. These included the televised interrogations of battered coalition airmen by the Iraqis on January 21, the ignition of hundreds of Kuwaiti oil wells by Iraqi troops on January 22, and the deliberate creation of a massive oil slick off the coast of southern Iraq and Kuwait on January 25. Environmentalists made up a significant proportion of the antiwar and anti-American movements, and these two acts of ecoterrorism led some of them to change their view of Iraq.

Foreign criticism also influenced public opinion and the shifts in government attitude. Much of the American media depicted the Germans as “cowards and weaklings,” while various members of the United States Congress called them “wimps.” The London *Sunday Times* declared that Europe’s response to the war was “a disgrace” and focused on Germany as “the villain in the piece.” President Turgut Ozal of Turkey was blunter, scolding publicly that after 40 years of protection from the North Atlantic Treaty Organization (NATO), “Germany before all others should understand the need” for collective security in the Middle East. He claimed that “Germany has become so rich that it has completely lost its fighting spirit.” A Western envoy to Bonn complained that even if no troops were sent, more technical aid and more aggressive Foreign Office statements should be provided; instead, he said, the Germans were doing just the reverse and that “this would not be forgotten.”

<sup>4</sup>As to whether “military intervention was necessary,” 66 percent believed it was unavoidable and 57 percent indicated that the United States and its allies should not have waited any longer before attacking Iraqi forces in Kuwait and Iraq; 38 percent adopted the opposite position. See *Der Spiegel*, January 28, 1991, p. 32.

<sup>5</sup>On German arms to Iraq, see *ibid.*, pp. 24–27.

Not to be overlooked in any chronology of the week’s critical events was the press coverage given to Germany’s role in strengthening Saddam’s war arsenal.<sup>5</sup> American envoys had been warning the German government for months that German companies were funneling chemical, biological, and other war matériel to Baghdad, but they were ignored. During the hectic days of January 18 to 26, a strange coalition of demonstrators in Israel, Green party members in the German parliament (including Petra Kelly), antiwar activists, and certain government as well as Social Democratic party spokespeople joined to condemn the German industrial war supply line.

By the week of January 21, demonstrators were displaying signs with slogans such as “German Gas 1944, German Gas 1991.” Some opinion leaders demanded that the government prosecute the suppliers of war matériel to the Iraqis. Later, more than 100 firms were identified as having done business with Baghdad after the adoption of the arms embargo shortly following Iraq’s invasion in August 1990; 80 of these companies were involved in producing chemicals. These revelations helped undercut the lofty morality of some of the antiwar and anti-American protesters, and more important, they pricked the conscience of many German centrists and leftists.

Other domestic criticism played a major role in prompting the shifts that occurred during those wintry days. One stream of criticism was directed against the government. Strident editorials in Germany’s conservative press attacked Foreign Minister Hans-Dietrich Genscher and Kohl for not leading public opinion out of its “peace at any cost corner.” Jochen Thies, a prominent German foreign policy expert, warned that “political and moral leadership is missing in the country.” Theo Waigel, the finance minister, led the attack on antiwar demonstrators and German pacifism before he left for the meeting of the Group of Seven finance ministers in New York: “Anyone who yields to unscrupulous and amoral aggression and tolerates their behavior out of fear is consciously accepting even greater catastrophe. . . . Again and again, we see a misconceived pacifism which does not restore peace but puts up with aggression.” Karsten Voight, a foreign policy spokesperson for the Social Democrats, noted that “Americans promoted us to ‘partnership in leadership.’ It doesn’t look as though we are ready yet for leadership.”

## A GOVERNMENT BACK ON COURSE

At first the German government appeared to be nearly paralyzed by the huge antiwar demonstrations (200,000 turned out in Bonn alone) and the polls. Kohl initially declared that “we should not forget that our American, British, and French allies are bearing the main burden of defending law and freedom in this conflict” and reiterated his earlier promise of DM2 billion to support the allied effort. At the same time, he promised that

German troops would not be sent to the Gulf and urged his countrymen to "help by responsible and wise conduct, so that we Germans will be just in this serious situation." Little was heard subsequently from Kohl until the middle of the week of January 21.

With the return of his finance minister from New York, where his colleagues no doubt did some nudging, and after the first meeting of his new Cabinet, formed after the November 1990 election, Kohl denounced Iraq's missile attacks on Israel as "a provocation" and lashed out at the antiwar protesters and their anti-Americanism.

A squadron of planes was sent to Turkey (the government later announced the dispatch of anti-aircraft missiles to Turkey, along with 600 troops), and the Defense Department increased its already heavy logistical support of allied efforts to transport troops and matériel from Germany to the Gulf. Support for the allies grew stronger in the following weeks. Kohl also promised complete solidarity with the allies; financial support for the United States forces in the Gulf rose \$5.5 billion (to a total of \$7.7 billion) and support for the United Kingdom to \$535 million. Aid to Israel would reach a total of \$750 million.

The Kohl Cabinet thus seemed to find its moorings in the midst of a bad domestic and an equally severe foreign storm. Without the internal and external criticism, it seems clear that it would have taken much longer for the German leadership to chart a clear course of allied support. No doubt it ultimately would have done so. The workings of Germany's powerful party system, with its strong consensual features and its capacity to withstand contrary public opinion, provide stability that many other constitutional democracies lack.

The Social Democratic leaders, such as Helmut Schmidt, Willy Brandt, Karsten Voight, and Björn Engholm, also chose the European-Atlanticist policy option. In some respects it was more difficult for them than for Kohl's government, since a majority of their party opposed the war. Moreover, both the government and the opposition knew that the overwhelming majority of the electorate had a vision of Germany's future international role that was not theirs.

Both were fully aware of the findings of a recent poll in which nearly 70 percent of the respondents preferred a neutralist, non-great power role for Germany in foreign affairs. The Swiss model was favored by 40 percent and the Swedish model by 29 percent, thus revealing a remarkable ignorance of German geography and, above

all, German strength today. The public's idealized vision of a future Germany was of one that "values quiet, comfort, and affluence over any involvement in the trials and troubles of the world."<sup>6</sup> This blend of contemporary self-centeredness and traditional German romanticism complicates the task of political leaders who seek to carve out a responsible German role in international affairs as well as an effective program for consummating *Einheit*.

## A PUBLIC SPLIT BY THE WAR

From January 26 to the end of the Gulf war in late February, the German electorate roughly divided into three groups on the conflict and related issues. On the right were the 25 to 30 percent who favored intervention from the beginning of the crisis. In the center was a large 45 to 60 percent who favored military action against Iraq, although many had reservations about sending German planes to Turkey, the need to raise taxes to finance the \$5.5-billion additional contribution to the allied war effort, and any attempt to amend the Basic Law (the German constitution) to permit the deployment of German soldiers outside the area under NATO's jurisdiction. On the left were the 20 to 25 percent who were vociferously hostile to the American-led attacks on Iraq. Many in this group were pacifists, but it also included non-pacifist Marxists, intellectuals, journalists, and nationalists who shared a deep animosity toward the United States.

These divisions provide the backdrop for the comment during the early days of the war by former *New York Times* executive editor A. M. Rosenthal that "Germany, which the United States recreated as a world power, was right behind us. . . so far behind nobody could see it."<sup>7</sup> They also explain why Kohl and his coalition government were ultimately able to bring the Germans to their point of view. The divisions provide the basis too for foreign charges that Germany lacked the collective will to translate its economic clout into political and military strength in foreign policy.

Clearly, pacifism exerts a powerful influence over the German body politic. Pacifism runs deeper in Germany because its people are now more gun-shy than most other Europeans. As an American observer noted,

Germany's tragic history has been the result of the Germans' clumsy and ultimately criminal effort to play a great power role that history withheld from them until national unification in 1870. The calamities of the first and second world wars, which followed, explain why present-day Germans are determined—in some quarters nearly hysterically so—to have as little as possible to do with this war. The Germans fear themselves.<sup>8</sup>

This fear has produced three versions of pacifism—the mindless, the reasoned, and the morally superior—as

<sup>6</sup>Cited in Marc Fisher, "In Germany, Mideast War Opens a Bonn-Washington Gulf," *International Herald Tribune*, January 28, 1991, p. 4. Poll results are also from this article.

<sup>7</sup>A. M. Rosenthal, "Thanks Be to Those Who Refused Appeasement," *ibid.*, January 19–20, 1991, p. 6.

<sup>8</sup>William Pfaff, "Don't Expect a Big European Role Any Time Soon," *ibid.*, January 24, 1991, p. 6.



well as a very strong emphasis on collective security.

German foreign policy expert Thies has interpreted German pacifism this way:

All those who hoped that the country would be back to normal after reunification now realize that this is unfortunately not the case. Again we see that Germany has not overcome the Third Reich. In a surprising parallel with their fathers who voted for reasons of fear for Adolph Hitler, the sons and the 1968-era students and their children seem to make the same mistake in the opposite direction—pacifism at any price.<sup>9</sup>

More than a mindless, adolescent pacifism came out of the Hitlerian past, however. A more reasoned approach was also taught by this legacy. "What distinguishes the Germans from other peoples is not that they fear war," the *Frankfurter Allgemeine* noted in a mid-January editorial, "but that they fear war more than they love freedom." Some have raised this to the highest ethical level, which, along with the smug intellectual superiority that has emerged in some German university faculties and among some of its journalists, has produced a pacifism that encourages that "special moralizing role that these days the Germans find so pleasing," as the *Frankfurter Allgemeine* editors phrased it.

This pacifist *ohne mich* ("leave me out") approach, though tinged with belligerent anti-Americanism, is rooted in the devastated Europe of 1945 and the special German responsibility for it. Especially for the young in this group, there is the desire "never again to be the culprits." The 20 to 25 percent who were unambiguously "antiwar warriors" and some of the large centrist group strongly opposed to direct German involvement in the Gulf or other war-torn areas outside NATO's boundaries comprised the basic components of this "Krieg gegen Krieg" (war against war) movement in Germany.

The desire for a collective security strategy rests on a different reading of the past and emphasizes that Germany must rely on mutual security and multilateral economic (and ultimately political) arrangements to promote the goals of peace, freedom, and prosperity. This approach also stems in part from fears, but they are different from those of the pacifists. These involve concerns about being isolated (as Germany largely was in the days of the Weimar republic), about launching separate initiatives that would undercut Germany's solidarity with

its allies and partners, and about losing the hard-fought, 45-year battle to establish a convincing image of a good and dutiful Germany. Those who adhere to this approach include the 25 to 30 percent of the citizenry who merit the designation of "NATO stalwarts" and many of the 45 to 60 percent who might be labeled "Good but Gun-shy Germans," given their mix of nondirect interventionist and pro-collective security attitudes.

## ANTI-AMERICANISM

During the initial phase of the Gulf war, anti-Americanism was nearly as significant an antiwar theme as pacifism. Sometimes the two themes merged, and sometimes they did not. Anti-Americanism in Germany in its more expressive forms began with the Vietnam war, but it also has elements that are not directly related to United States military actions and policies.

A German authority on the subject, Peter Lösche, cautions that perceptions of the United States are gained from varying observations and experiences and that they cluster at different intellectual levels.<sup>10</sup> The "simplest and perhaps most naïve representations, whether real or unreal," come from German advertisements, television, and even children's games—all of which have heavy American content. Thus the impressions "of vast prairies, rough cowboy life, of gangsters, of parading arrogant wealth" are popular German images of America. Of a different character are more critical judgments and observations about "the American political system, certain of its presidents, its politics, and some of its specific policies."<sup>11</sup>

The first phase of anti-Americanism, Lösche contends, is the shaping of negative stereotypes that are undifferentiated and conventional, but possess "explosive power" that is almost always "supercharged with passions." Finally, anti-Americanism "in a real and more narrow sense signifies a prejudice in the manner of anti-Semitism or anti-communism." Here the stereotype is expanded to a view of life, out of which "not only a single American, American product, and American policy" are judged prejudicially, but also "routine behavior and positions." Anti-Americanism becomes "the cardinal point of one's own life, through which the whole world is explained."<sup>12</sup>

The banners, placards, wall printings, daubed bed sheets, posters, and slogans of the demonstrators conveyed one message in terms of war guilt: The United States was responsible. "Americans Get Out of Saudi Arabia," "U - SS - A" (thus identifying United States troops with German storm troopers), "Amis Raus" (Americans out—of Germany and the Gulf), "Get Out of Germany, Warmonger," "How Many Iraqis Have You Killed Today?"—provide a modest sample of the demonstrators' obsession with their image of the enemy.

The peacenik encampment outside the United States (but not the Iraqi) embassy in Bonn, the fortress-like defenses that German police placed around most of the Amerika Häuser (information centers) in German cities, the blocking of access to the giant United States Rhine-

<sup>9</sup>Jochen Thies, "Germany: Special, Different, and Alone," *ibid.*, January 31, 1991, p. 6.

<sup>10</sup>Peter Lösche, *Amerika in Perspektive* (Darmstadt: Wissenschaftliche Buchgesellschaft, 1989), p. 6.

<sup>11</sup>*Ibid.*, p. 7.

<sup>12</sup>*Ibid.*, pp. 7-8.

Main Air Base at Frankfurt, and the stream of oxen blood poured on Berlin's streets from the Iraqi embassy to the United States mission (with the latter being smeared with it) provide more evidence of this virulent hostility. None of the other 27 allied nations fighting the Iraqi dictator (save for minor indignities inflicted on some Britons) experienced this multifaceted campaign of abuse and, in some cases, terror. Not even Arab or other Muslim countries that supported Iraq experienced anti-American demonstrations comparable to those in Germany.

But why? From their propaganda, speeches, writings, resolutions, and actions, these Germans view the United States as a militaristic, imperialistic, ecologically destructive and wasteful, exploitative, hedonistic, diplomatically unsophisticated, and essentially immoral country with a creed that is inconsistent with its actions.

The presence of United States troops in Germany for 45 years; the bitterly contested deployment of United States short-range missiles in Western Europe in 1982 and 1983; the military actions against Grenada, Panama, and Libya; and the lead role assumed by the United States in NATO have provided adequate proof to German pacifists, neo-isolationists, Marxists, and others that the United States is a threat to peace. The role of certain American oil companies in the Gulf and the heavy reliance of the United States on fossil fuel-powered energy systems provide further grist for the attacks of environmentalists, conspiracy theorists, and others.

Perhaps the most revealing sign of the overall negative German image of American values and society is indicated by a January 29 poll in the *Süddeutsche Zeitung*, which found that only 2 percent of those polled considered the United States a national model to emulate. This suggests a mild but mass form of anti-Americanism that differs from the more intense forms.

Certain aspects of German-American relations over the past 45 years have strengthened Germans' negative perceptions, images, and stereotypes, and have engendered real resentment. The fact that this was a student-teacher relationship for many years was more than a minor irritant, especially as the student matured. With the end of the cold war and the fall of the Berlin Wall, there came a new freedom and a new perception among many Germans that Germany should not be important anymore and that they should be defined as "free to be rich, to be liked, and to be left alone."

But the demolition of the wall brought reunification and the most serious domestic questions Germany has had to face since the 1950s. Moreover, the scuttling of the Soviet empire has given it more foreign policy responsibilities, not fewer. And the United States has tried to assign the new Germany a greater leadership role. Many Germans fear or reject this new role for their country. The need for a greater German international role and the Gulf crisis shook German complacency; many believed that the instigator in both instances was the United States.

From the mid-1940s until the early 1950s, the United States was West Germany's prime provider. From 1948 until 1989, the United States was West Germany's main protector, and from November 9, 1989, until October 3, 1990, it was the strongest foreign supporter of German reunification. While most of this was necessary and much of it salutary, the combined effect of these American actions was to leave Germany in a semi-sovereign status until last year. A recurrent metaphor of Germany as a sheltered child has been used by foreigners and Germans alike, and is a root cause of the German version of anti-Americanism, not to mention its pacifism. Paradoxically, the antidote to both is a mature assumption of the expanding international responsibilities the United States has been urging on Germany.

## IN THE WAKE OF THE WAR

The divisions in opinion that were revealed by the war did not disappear with the cease-fire. Not long after Iraq's surrender in early March, Kohl initiated discussions of a constitutional amendment allowing troops to join international alliances to assure security outside NATO. The Social Democrats opposed the breadth of the proposal and settled on a position that allowed participation only in United Nations peacekeeping forces. Some interpreted this action as chiefly a move to placate the party's new leader, Björn Engholm. Since a two-thirds parliamentary majority is required to approve a constitutional amendment, the chancellor's promise "to establish a clear constitutional basis in Germany" for collective action against threats to international peace outside NATO's jurisdiction at this point is blocked.

Other efforts in the aftermath of the Gulf war were also blocked because of the remarkable electoral triumph in April of the Social Democrats in Kohl's conservative home state of Rhineland-Palatinate. This victory gave the opposition a clear majority in the Bundesrat, the upper chamber of parliament. The Social Democrat-controlled Bundesrat vetoed on civil libertarian grounds a government proposal that would have barred the delivery of plants like those that were used to manufacture Iraqi chemical weapons. Later, the Bundesrat rejected a plan by Defense Minister Gerhard Stoltenberg to send military helicopters to help the Kurdish refugees in Iraq. German aid, the opposition contended, should be restricted to food and medical supplies.

## RELATIONS ON THE CONTINENT

German policies toward its immediate neighbors have exhibited a high level of altruism and a certain amount of self-interest. The Kohl government has indicated a need to link closely the European Community's (EC's) sessions on political union with those on economic and monetary mergers, and has shown a willingness to see the deutsche mark replaced by a single European currency, provided the European Parliament is given more policy-making authority. While the average German

cares more about a stable mark than about a strong parliament in Strasbourg, German leadership in the attempt to forge a United States of Europe is viewed at home and abroad as an appropriate way to establish an acceptable framework for and constraint on German power.

German leaders have tried to reassure their closest major neighbors that a united Germany is unambiguously trustworthy. The Franco-German alliance has been at the heart of Germany's European policy since Chancellor Konrad Adenauer's tenure, and will remain so. Yet there are disagreements between France and Germany on many issues: France's desire for a common European defense policy that is not linked to NATO or to political union; France's resistance to allowing the entry of new members from Eastern Europe into the EC; France's skepticism about a strong European Parliament with a role in defense and foreign affairs; and France's complaints about the German central bank's high interest rates, which it claims put part of the burden of funding eastern Germany's revival on the shoulders of Germany's EC partners. The two governments agree that Germany should be bound to the Community by common security and defense policies, which makes the push for a federative union of the utmost concern to both.

Turning eastward, the Germans have adopted more unilateral approaches, with a heavy stress on mark diplomacy and some emphasis on new economic markets. Of the various types of aid pledged to Eastern Europe by the 24 wealthiest industrial countries, Germany accounted for 20 percent of the grants, 40 percent of the macroeconomic assistance, and 55 percent of the trade and investment guarantees, making it the largest contributor. In the case of neighboring Poland, Bonn provided economic aid, removed visa restrictions, and signed a controversial treaty recognizing the borders established at the end of World War II. All these actions—especially the last—inflamed nationalists, many East Germans, and thousands of refugees from Polish regions that were formerly part of Germany, such as Silesia, East Prussia, and Pomerania.

Once the Baltic republics gained their freedom, the Germans were quick to extend economic assistance and to establish Goethe Institutes as a means of establishing a firm market and cultural position in these small countries. In the fratricidal conflicts in the Yugoslav federation, Kohl, in contrast to his French and British counterparts, was among the first to raise the possibility of recognizing an independent Slovenia and Croatia. Moreover, he threatened to cut off German financial support if Serbia continued its attacks on neighboring Croatia.

Germany has provided steady economic and diplomatic support for Soviet President Mikhail Gorbachev as the best way to stabilize the situation in the Soviet Union, to acquire new markets for German goods (the 1990 German-Soviet treaty, for example included a "buy Ger-

man" provision in exchange for Bonn's funding of new Soviet housing for soldiers from East Germany), and above all to assure the scheduled departure of all Soviet forces from German soil by the end of 1994. German payments and commitments to the Soviet Union arising from reunification came to nearly DM50 billion. In addition, Kohl was an early supporter of immediate economic aid to the Gorbachev government, and it was to Kohl that the Soviet president turned for DM15 billion more in "untied credits" early in the summer of 1991.

## WHAT FOR THE FUTURE?

Germany's reactions to the Gulf conflict raise fundamental questions about German-American, German-European, and inter-German relations. For Americans, their positive image of Germany as "the confident, efficient, educated engineer" was shattered by the Gulf war; they must now recognize that more time and gentler handling are required before most Germans accept the roles that their government would like them to take up. With Europe, the pivotal questions of common defense and foreign policies will not be answered in the near future, given the wide-ranging response to the Gulf war and its aftermath. The economic and political issues relating to a united Europe are proving to be much more troublesome than was expected a year ago. At the same time, non-German Europeans' fears of a dominant Deutschland decisively leading a federative Europe have subsided considerably.

Finally, the issue that subsumes all the above is whether Germany's past, its pacifism, its anti-Americanism, and its preoccupation with its own eastern *Länder* (states) as well as with the alarming developments in the Soviet Union and Eastern Europe will force a retreat from its Western collective economic and security arrangements. The cost of reunification is proving to be "horrendously expensive, both in financial and human terms," and it could produce "internal upheaval," a withering of "Teutonic self-confidence," and a "paroxysm of self-conscious introspection."<sup>13</sup> All this could lead to a divergence between American as well as Western European interests and those of a Germany that must "absorb a radically different and largely underdeveloped economy that faces east, not west." This could force on Germany new fiscal and even diplomatic priorities that might not always converge with those of the United States or Western Europe.

Solidarity with a united Europe or *Sonderweg*, a separate course, are Germany's fundamental strategic options. For the moment, solidarity has half-heartedly won out. This could change in the near future, given the growing pressures at home and the policy demands abroad. The United States, Western Europe, and Germany need to recognize the broader implications of this essentially German dilemma. The cautious centrists are the pivotal political group; the overriding question is what foreign policy choices they will ultimately adopt. ■

<sup>13</sup>Ibid.



"For the European Commission, completion of the internal market is now an irreversible process, one that is adding momentum to the push for economic and political union. . . . Integration is now accepted as the only way for Europe to retain any semblance of world stature and significance."

## The European Community Faces 1992

BY RICHARD P. AHLSTROM

Since 1985, the Eurocrats overseeing the complex workings of the European Community (EC) in Brussels have been warning and cajoling Europeans to take serious note of 1992 and all that this onerous year implies.\* "A Europe without frontiers"—that is, one without physical, fiscal, or technical barriers to trade—is shorthand for what 1992 means, but the man and woman in the street are more interested in the implied corollaries of less expensive BMWs, alcohol, and Mediterranean vacations.

Much to the annoyance of the Eurocrats, the true significance of a Europe without frontiers remains beyond the grasp of a majority of Community citizens, according to recent surveys. The meaning of 1992 must be even more puzzling to Americans who are more familiar with the portrayal of the EC as the big bad wolf in the current Uruguay Round of the General Agreement on Tariffs and Trade (GATT) negotiations than with the Community's movement toward a barrier-free market.

Ironically, the European Commission, the EC's executive and administrative body, can be accused of helping to cloud the issues for ordinary Europeans. The bureaucratic jargon in Community documents makes them difficult to digest for all but the most committed, and the use of the year 1992 as a rallying cry for a Europe without borders is misleading, since the borders will not actually disappear until January 1, 1993.

Many Europeans are bored with anything that relates to Brussels and the Community, and enter a trancelike state as soon as European issues are brought up. This

has not made 1992 any easier for the Commission to sell and explains why three years ago it embarked on a public relations campaign to get the message across in "user friendly" terms. The Commission's idealistic and ambitious goal of a "United States of Europe" is too often at odds with the nationalistic, even parochial issues traditionally peddled by politicians in their attempts to garner favor with their respective electorates. When the need has arisen, politicians of all shades have cast the EC as a usurper of national rights, intent on dragging Europe's peoples into an artificial unity. For this reason the Commission has had a genuine sales job to do, on both the public and elected representatives, who had to be taught the wisdom and logic of European unity. It has been a slow and evolutionary process but one that is now beginning to bear fruit, largely because of the vision and commitment of the Commission's president, Jacques Delors.

Delors was named to succeed Gaston Thorn as president of the Commission at the Fontainebleau European Council meeting held in the spring of 1984, and assumed office on January 1, 1985. In a real sense the Community owes its current lease on life to this committed European, whose ultimate goal of a federal Europe is tempered by a healthy pragmatism that has helped make him, in a phrase of his own choosing, the "engineer of European integration." The Fontainebleau Council might also be viewed as a turning point because it marked the beginning of a new consensus, a willingness to end decades of infighting and direct Europe toward a new kind of unity; this fresh resolve led within months to the drafting of the Single European Act (SEA), the cornerstone of the 1992 project.

### THE KEY TO 1992

The SEA, which was signed by the 12 EC member states in February 1986 and came into force on July 1, 1987, represented the first substantive alteration of the Treaty of Rome, the document that established the European Economic Community in 1957. For example, the SEA removed the treaty requirement that Council deci-

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\*Editor's note: The six original members of the EC were West Germany, France, Italy, Belgium, Luxembourg, and the Netherlands. In 1973, Denmark, Ireland, and the United Kingdom became members. Greece was admitted in 1981, and Spain and Portugal in 1986.

sions be unanimous by allowing qualified-majority acceptance for many measures leading toward the goal of a borderless Europe, the so-called internal market.<sup>1</sup> The SEA also created a new "cooperation procedure" that streamlined the EC's legislative processes by allowing closer liaison between the Commission, the Council, and the European Parliament, and by shortening the time required from Commission initiative to Council adoption (see the chart on page 376).

It is doubtful that the internal market could have been established without the changes introduced by the SEA, since the act provides the political impetus and legal framework for a borderless Europe. The market's creation has involved policymaking and legislative changes in areas such as employment, transportation, environment, social affairs, agriculture, competition, and the development of poorer regions. The overall goal is true economic cohesion, common levels of tax and excise duties, and the free circulation of capital, people, and services across national boundaries. Artificial barriers to trade—arcane technical standards, restrictions on credit and payments, and customs fines, for example—will become illegal after 1992.

## A SENSE OF URGENCY

For the Community and its member nations to have left behind decades of small-mindedness and bickering and, from a standing start in 1985, aspired to this level of integration by 1993 is indeed remarkable. As impressive as this is, however, there was perhaps no other path for the EC to have followed, unless it returned to the uncertainty and potential for conflict that was Europe's lot for centuries.

Internal and external economic pressures had exerted a powerful negative force on the growth of individual states and the EC as a whole since the 1970s. Successive oil crises during that decade sapped industrial confidence and pitched the world into recession. The resulting unemployment continues to cast its shadow over the European economies. While Japan and the United States were in the ascendant in terms of industrial output, productivity, competitiveness, and scientific

and technical development, the once preeminent European states lagged further and further behind, and their potential to catch up seemed to dwindle.

It was at this juncture in the mid-1980s that Delors assumed the presidency of the Commission. He was the right man at the right place at the right time. An ardent supporter of the EC's founding ideals, Delors arrived when the Community was ready for change.

Europe's economic doldrums and its inability to compete economically with Japan and the United States gave Delors the perfect opportunity for launching the initiative to revitalize the EC. Perhaps taking a leaf from the United States space program, Delors seized on the idea of identifying a challenging goal—economic integration—and then setting a deadline that was not so far away as to allow lassitude. It was much the same technique as the one the Eisenhower and Kennedy administrations adopted after American national pride was stung by the Soviet Union's launch of the Sputnik satellite in 1957. The United States government galvanized the American aerospace industry by pouring federal funds into research, and harnessed the power of public opinion to sweep away congressional misgivings. The process that was set in motion delivered a man on the moon within the allotted time frame.

Delors' initiative is based on much the same combination of cash and psychology: the object is to get the project started, allow it to build up speed, and hope that the resulting momentum can overcome nationalistic doubts and politically motivated intransigence. So far the plan is working.

Delors has made no secret of his attempt to shock the Community out of its torpor. In a pamphlet explaining 1992, he wrote,

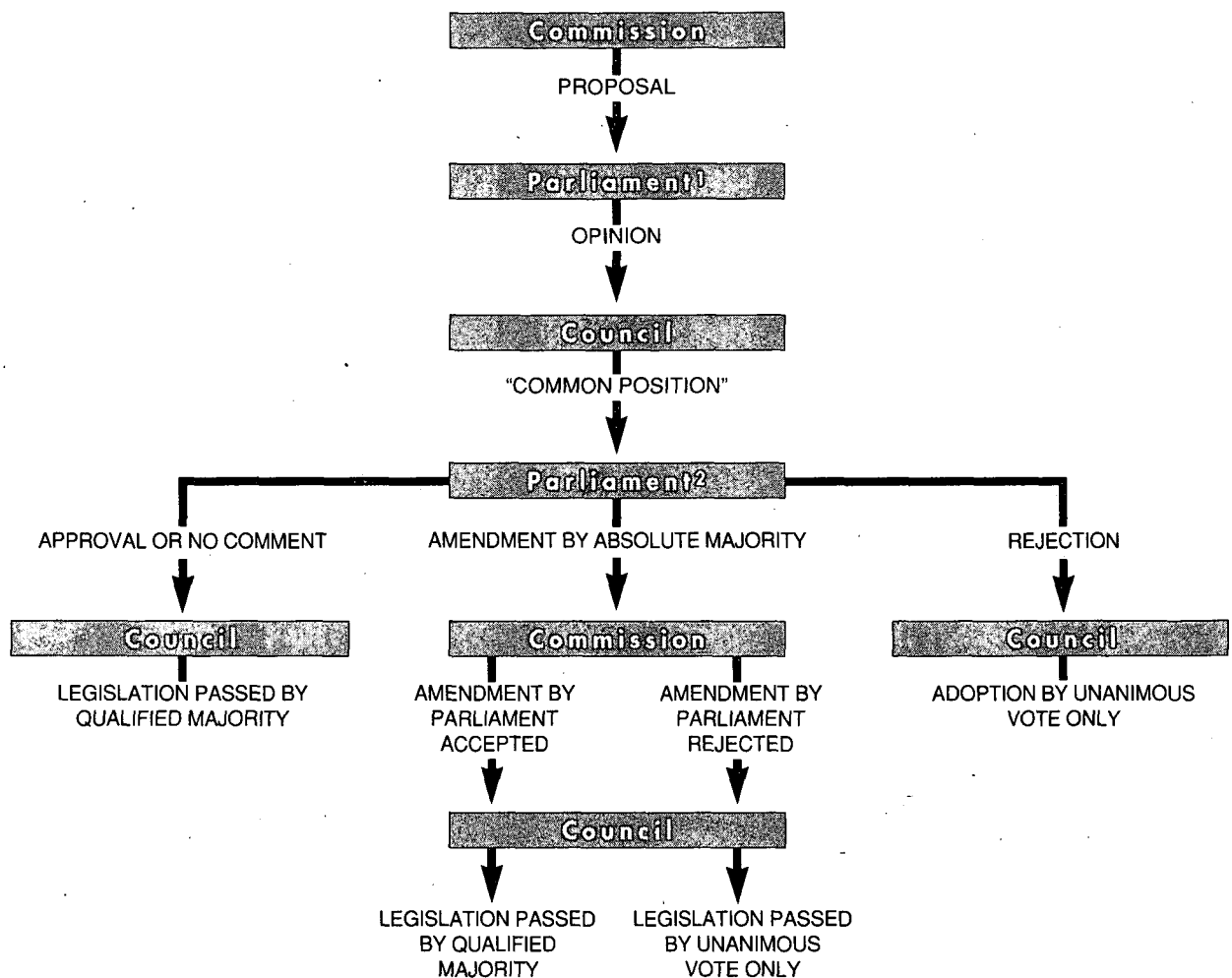
In the world race against the clock, which the countries of Europe have to win to survive, what was needed was a common objective to enable us to look beyond the everyday difficulties and pool our strengths and energies. . . . That is why, when I took over as president of the Commission of the European Communities, I proposed. . . that we should create by 1992 an economic area where all barriers have been removed and the principles of solidarity are applied. The biggest of its kind in the world, this large market without frontiers is an invaluable asset which can help restore our firms to economic health and a strong competitive position. It is one of the main driving forces that will take us on to European Union.<sup>2</sup>

Delors' project has become in effect the battle hymn of the Commission. It links a sense of urgency—the idea of Europe under collective threat, in this case from the economic might of Japan and the United States—to the message of economic renewal through joint effort. Eco-

<sup>1</sup>Under the qualified-majority voting system, France, Germany, Italy, and the United Kingdom each have 10 votes in the Council; Spain has 8; Belgium, Greece, the Netherlands, and Portugal each have 5; Denmark and Ireland both have 3; and Luxembourg has 2 votes. Of the total 76 votes, 54 normally constitute a qualified majority. When the qualified-majority rule is in force, the five larger states cannot outvote the smaller seven, nor can two large states by themselves stymie passage of a measure. See Neill Nugent, *The Government and Politics of the European Community* (Durham, N.C.: Duke University Press, 1989), p. 102ff.

<sup>2</sup>"Europe Without Frontiers—Completing the Internal Market" (Luxembourg: Office for Official Publications of the European Communities, April 1989), p. 5.

## THE EUROPEAN COMMUNITY'S DECISION-MAKING PROCEDURE



The **Commission**, the EC's executive and administrative body, initiates Community policy. The **European Parliament's** role is basically consultative and supervisory, but it has the power to amend proposed legislation and veto the accession of new member states. The **European Council**, which is made up of heads of state or specific state ministers, is the decision-making branch, accepting, rejecting, or modifying Commission proposals.

<sup>1</sup> First reading <sup>2</sup> Second reading

Source: "A Guide to the European Community" (European Community Delegation to the United States, 1991).

conomic interests serve as both carrot and stick to build enthusiasm for 1992 among member governments. More than 16 million people are unemployed in EC countries, and they represent a powerful stick that helps

to drive reluctant governments into line. The carrot is the promise of an economic turnaround, assisted by financial aid from the Commission through its various agricultural and social funds that shore up faltering industries and boost capital expenditures.

<sup>3</sup>The opening lines of the Treaty of Rome state the goal to which Delors returned when initiating his own plan: "The Community shall have as its task, by establishing a common market and progressively approximating the economic policies of member states, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the states belonging to it." The treaty clearly envisaged that the Community's prosperity and its political and economic unity would depend on a single, integrated market.

### THE WHITE PAPER

It is easy to see why Delors' approach took root so quickly after its enunciation in June 1985, when the Commission's White Paper on completion of the internal market was formally presented. Within a few weeks leaders of the member states had endorsed the paper's recommendations at the Milan European Council and promised to remove all physical, technical, and fiscal barriers still impeding the free flow of people, goods, and capital—an aspiration written into the Treaty of



Rome—by the end of 1992.<sup>3</sup> Political leaders had little choice but to jump onto the 1992 bandwagon. In the early days of the Community, members had tried to find ways to make use of the EC clubhouse while complaining about having to pay club dues. In the three decades after the signing of the Treaty of Rome, the Community had made good progress in some areas, such as streamlining heavy industry. But the core of the treaty—economic integration—was no nearer to being realized because the EC lacked the political will and internal structures that would allow change.

Economic instability had also brought about a resurgence of nationalism that was aggravated by the first two Community enlargements, in 1972 and 1979. The result was the unseemly spectacle of heads of government haggling over unimportant matters at the Council while recession loomed and unemployment increasingly undermined industry and commerce.

The publication of the White Paper put the EC back on track. Unlike previous initiatives the White Paper strove to be comprehensive, laying out a step-by-step approach for an integrated and coherent economic framework. It identified the existing physical, technical, and fiscal barriers associated with border controls that prevented the functioning of an internal market, and put forward proposals for their elimination.

Eliminating the impediments—the paper identified nearly 300 of them—was not merely a matter of deciding to stop levying excise duties or to remove red and white striped road barriers. A complex mosaic of European legislation involving taxation, technical standards, consumer safety, environmental issues, and protectionism was linked to the border controls. The EC's prescriptions for change would have to be translated into enabling legislation in each member nation's legislature—a staggering load for even the most compliant parliament.

The timetable proposed in the White Paper deliberately planned for most of the proposals to be discussed and accepted by the Commission and the Council early on, giving member states at least two years to enact implementing legislation. It also forestalls a return to delays and stonewalling by states reluctant to make the necessary changes by allowing the Community to monitor progress in the crucial later stages of the legislative process.

The difficult task set by the White Paper was made easier by the introduction in 1987 of the Single European Act, which, as noted earlier, allows the Council to force a decision on most proposals on the basis of a qualified-majority rather than a unanimous vote. The

act also streamlined the European Parliament's handling of proposals. Even so, the road to economic union has not been without twists, turns, and bumps. While by June the Council had approved proposals for abolishing about 220 of the trade barriers on the list, many member countries were behind in transposing measures adopted at the Community level into national laws.

The Commission has been forthright in noting that "certain sensitive dossiers remain blocked mainly for political reasons," citing in particular the dispute over the location of the Community's trademark office. This was mainly a problem for the Council, where several ministers argued that their country was the proper place for the trademark office—and the jobs and investment that would accompany it. On the legislative side, the Commission has been concerned about the lack of progress in areas such as the free movement of people, direct taxation, financial services, and transport by sea, land, and inland waterway.

Even so, as of June more than 72 percent of the measures adopted by the Council had been transposed into national law, a 3 percent improvement compared with six months earlier. The Commission criticized the Netherlands, Luxembourg, Ireland, and Spain for lagging behind, but saved much of its ire for Italy, which has transposed less than half the proposals accepted thus far.

December 1992 is still too far away to be certain that all the legislative obstacles will have been surmounted in time to meet the deadline for a frontier-free Europe. In some cases the Commission has arranged derogations, which in effect give a country special permission to maintain a degree of protectionism for a set amount of time to bolster vulnerable sectors or to address local difficulties.

Despite offering such deferments, the Commission is intolerant of those who do not cooperate with its efforts to accelerate the process of creating the internal market. Deadlines are set; if a country fails to transpose Community directives into national law by that date, then infringement procedures are instituted by the Commission. These are also applied if a country breaches the general rules of the Treaty of Rome or provisions found in Council directives or fails to transpose correctly new directives into national law. Understandably, as 1992 approaches the number of infringement procedures has increased, from 1,195 in 1989 to 1,252 in 1990.

## WHO BENEFITS?

Why would the 12 member states willingly submit themselves to the legislative inconveniences inherent in 1992? Where is the payoff that makes all the trouble worthwhile? The answers are different for the large, powerful member states and the economically weaker ones, often referred to in Brussels as the "Poor Four"—Ireland, Portugal, Spain, and Greece.<sup>4</sup> Germany's economy, for example, dominates the Community and has the greatest impact on the European Monetary System,

<sup>4</sup>The appellation is somewhat unfair. While these countries receive a great deal of aid from the EC's central reserves, so do regions of the richer countries, including Northern Ireland, most of southern Italy, the French overseas departments, and Corsica.

which regulates interstate exchange rates. For Germany and other large manufacturing countries such as France, Italy, and to a lesser extent Britain and the Netherlands, the Community represents a greatly enlarged market. Instead of operating mainly in its own market of roughly 60 million inhabitants, Germany can operate freely in a market of 340 million.

The smaller economies benefit from the EC through support from the Common Agricultural Policy (which accounts for nearly 60 percent of the Community's budget). But these countries also stand to gain significantly from the provision of billions of dollars through the Community's Structural Funds, which are designed to help them bring their infrastructures to the level of the larger member states before the internal market is established. Rural areas, for example, account for 80 percent of the member states' total area and contain half the Community's population, but they lag significantly behind urban areas in roads and telecommunications. When the Structural Funds were reformed in 1988, spending stood at about \$8.2 billion; by 1993 spending is expected to reach \$16.4 billion. The incentives for poorer EC members to support the Commission's goal of a Europe without frontiers by 1992 are therefore irresistible.

The new consensus surrounding 1992 has fostered better interstate cooperation on a range of issues. A substantial effort is under way to streamline pan-European scientific research to reduce duplication and help the EC collectively challenge Japan and the United States in areas such as information technology, biotechnology, and advanced physics. The EC's Framework Program, which funds cooperative research ventures, has a five-year budget of \$6.7 billion.

Cohesion manifests itself in other areas, notably external relations. For example, negotiations begun in June 1990 with the European Free Trade Agreement (EFTA) countries should lead to the creation of a "European Economic Area" covering 18 countries after 1993.\*\* Negotiations on new trade agreements with the former East bloc countries are under way, and a European Bank for Reconstruction and Development (EBRD) with capital of \$11.7 billion has been created. And the dramatic political changes in the Soviet Union have prompted the EC to provide it with \$2 billion annually in aid.

## MONETARY UNION AND DEFENSE ISSUES

The consensus built by the 1992 program has led to negotiations on full economic and monetary union. It has also led to talks on total political union, with com-

mon foreign and security policies. The Europe sought by Delors is one where the Community will finally act like a United States of Europe, where national borders are transparent yet each nation retains its individuality, where there is a single, coherent financial and foreign policy, and where all states contribute to pan-European security.

The systems to make this a reality are already in motion. The Hanover European Council of heads of state in June 1988 instructed a committee chaired by Delors to propose steps leading to economic and monetary union; the committee presented its findings the next April. By December 1989, French President François Mitterrand, serving as president of the European Council, declared that the necessary majority existed for convening an intergovernmental conference to draft the amendments to the Treaty of Rome required for the final stages of economic and monetary union. In June 1990 it was decided at the Dublin European Council that two intergovernmental conferences would proceed in Rome in December, one on economic and monetary union and another on political union. Completion of stage one of monetary union is now scheduled for January 1, 1993. In the first stage, member nations' exchange rates will be coordinated with a central exchange rate based on the European Currency Unit (ecu). The second and third stages will establish a central bank and transfer monetary decision making to it.

The initial stages of political union will also be realized by January 1993, and there are encouraging signs that the member states, each encumbered with its own traditional foreign policy agenda, can cooperate and respond quickly to international events. The council of foreign ministers decided within days of the Soviet coup attempt in August 1991 to recognize the independence of the Baltic republics. And the EC has tried, repeatedly though unsuccessfully, to broker a cease-fire in the fighting between Serbs and Croats in Yugoslavia.

Historical policy differences undermined EC consensus during the Persian Gulf war early this year. Britain moved quickly to support the United States, Germany kept its head behind the parapet, and France had its own political motivations in joining the fray. The response during the Gulf war should not be seen as a sign of the way in which member states will perform in the future, however, especially after economic union begins to take hold.

For the European Commission, completion of the internal market is now an irreversible process, one that is adding momentum to the push for economic and political union. Gone are the days when heads of government could score political points at the Council by resisting moves toward closer integration. And integration is now accepted as the only way for Europe to retain any semblance of world stature and significance. ■

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\*\*Editor's note: The EFTA countries are Austria, Finland, Iceland, Norway, Sweden, and Switzerland.

"The basis exists for democratic party-building and for economic development in post-Communist Eastern Europe. If the United States does not join the European Community in throwing an economic lifeline to these countries, the long-run cost may be much higher than the cost of taking part in the rescue effort."

## Eastern Europe after the Revolutions

BY ROBIN ALISON REMINGTON

When the attempted coup by "the gang of eight" in the Soviet Union backfired in late August, it swept the opponents of perestroika off the political stage and the Soviet Communist party onto the rubbish heap of history. The results were momentous. The Soviet Union that had operated as the "significant other" of United States foreign policy in the post-World War II international system is, like the Warsaw Pact, history, and the North Atlantic Treaty Organization (NATO) an alliance in search of a mission. The cold war that defined and divided Europe is over.

In short, the Europe that set out on the road to economic unity in 1992 has disappeared. The member states of the European Community (EC) must now work through their differing conceptions of European

integration in a radically changed political economy. Germany has been reunified. The Baltic states—Latvia, Lithuania, and Estonia—have been recognized as independent countries and accepted as members of the United Nations (UN). The EC can do little more than watch the possible emergence of new and needy states from the Soviet Union or the once federal Yugoslavia.

The success or failure of post-Communist Europe's transition to multiparty democracy and market economics will determine whether the European order taking shape mirrors the vision of 1992 or reflects a quagmire of national fragmentation and ethnic conflict. Politicians must adjust to a Europe in which the threat from the Soviet Union is not communism, but chaos; the danger is not an alien ideology, but a lack of conviction that the democratic model can do the job.

To understand the problems and prospects for building democracy in post-Communist Europe, we must remember that the cold war was not won on the battlefield. With the exception of the short, bloody battle to oust the dictator Nicolae Ceausescu and his "socialism in one family" in Romania, the collapse of Communism in Eastern Europe came without the threat or use of force. This was a victory of ideas, not military hardware.

The ideas at the heart of post-Communist Europe are not new. When Lithuanian President Vytautas Landsbergis spoke to the UN as his country was admitted to that body in September, he said, "our renunciation of fear and falsehood proved stronger than tanks and missiles." He echoed the conviction of the Czechoslovak playwright Karel Capek, who wrote that "truth is more than power. . . violence cannot hold out against mankind's need for freedom, peace, and equality among peoples and nations."<sup>1</sup>

The realization that command economies designed to meet the challenges of the nineteenth century could not assimilate the potential of the scientific, technical, and information revolutions dominating the international political economy in the late twentieth century ultimately led Soviet President Mikhail Gorbachev to renounce the Brezhnev doctrine.\* With that, the

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\*Editor's note: In 1968, Soviet President Leonid Brezhnev declared that the Soviet Union would regard any "threat to socialism" in its satellites, including internal liberalization, as sufficient justification for invasion. The Prague Spring of 1968 provided such a justification. Gorbachev rejected this doctrine in a speech before the Council of Europe in Strasbourg on July 7, 1989, acknowledging that European states belong to "different social systems. . . . Social and political orders [have] changed in the past and may change in the future. But this change is the exclusive affair of the people of that country and is their choice. Any interference in their domestic affairs and any attempts to restrict the sovereignty of states, both friends, allies, or any others, are inadmissible." See Lawrence Freedman, ed., *Europe Transformed: Documents on the End of the Cold War* (New York: St. Martin's Press, 1990).

<sup>1</sup>Karel Capek, *Lidove noviny*, September 9, 1938.



stranglehold the cold war had imposed on Eastern Europe was broken.

Throughout 1989 the power of the "new political thinking" that Gorbachev had unleashed in the Soviet Union found expression in Eastern Europe in demonstrations of "people power." In May 1989 ordinary citizens helped Hungarian soldiers tear down the barbed wire fence between Hungary and Austria. During the summer, East Germans, fed up with their government's refusal to reform, fled into Hungary and across the newly opened border between Hungary and Austria. The Berlin Wall crumbled in November, and Communist parties and governments began to fall throughout Eastern Europe.

### **EASTERN EUROPE'S REBIRTH**

The rebirth of Eastern Europe is best understood as political theater. There is no director or permanent cast of professional political actors. Those who remain must assume new roles. Old rituals, myths, and behaviors are inappropriate. Symbolically, the Goddess of Democracy, whose statue was crushed by Chinese tanks in Tiananmen Square in Beijing in 1989, plays opposite the ghost of the crushed 1968 Prague Spring. The audience is constantly shouting demands; offstage actors (such as the International Monetary Fund [IMF]) give advice from the wings. And the politicians and peoples who will decide her fate have no script.

Scholars of the Soviet Union and Eastern Europe were accustomed to another political theater, one that was a stylized, well-rehearsed play. Like the Communist politicians who lost their jobs, they were caught off balance. Even those who thought change would come in Hungary and Poland did not foresee the political earthquake that shaped the territory of post-Communist Europe. No one knows how this new play will end, or has inside information on the ability of the new political leaders—the writers, dissidents, and born-again Communists—to safeguard the Goddess of Democracy. It is more useful to focus on the political scene, the political actors, and the fundamental passions that determine their relationships.

### **THE POLITICAL STAGE**

The difference between Eastern Europe and post-Communist Europe must be kept in mind. The Eastern Europe we knew after World War II has disappeared. In a geographic sense, it never existed. When scholars and policymakers talked about Eastern Europe, they used an ideological shorthand for political and economic boundaries that divided Europe into two blocs.

Eastern Europe included six members of the Warsaw Pact (Bulgaria, Czechoslovakia, East Germany, Hungary, Poland, Romania), nonaligned Yugoslavia, and isolated Albania. The eight states that made up this region ranged in size from tiny Albania, with a population of 3 million, to Poland, with 38 million people. The coun-

tries of the region had varying levels of economic development, and different histories, nationalities, languages, and religions.

The Communist systems that came to power in Eastern Europe were thus superimposed on very different environments, and indigenous Communist politicians operated under different restraints. For 40 years local political cultures eroded the ideological superstructures coming from Moscow. However, notwithstanding Yugoslavia's socialist self-management and Romania's national Stalinism, the imperatives of the Communist subsystem, central economic planning, and the "leading role" of the party created a collective Eastern European identity from which even Yugoslavia was not immune. The legacy of shared economic problems, high political expectations, and low political institutionalization flowing from that identity is the wellspring of Eastern Europe's multiparty political systems.

### **THE PLAY AND ITS ACTORS**

As Czechoslovak President Vaclav Havel has put it, the poetry is over, and the prose is beginning. Instead of imposed uniformity and ritualized ideological jargon, Eastern European politicians now speak with many voices. Western scholars and policymakers, like Eastern European voters, must sort out signal from noise in these new political systems.

These new governments face the problems of economic reform, ethnic hostility, and territorial conflicts. Establishing democratic governments and market economies involves a tug-of-war between national self-determination and economic viability. This creates political pressures for fragmentation that are countered by economic pressures for the cohesion that will allow post-Communist Europe to join the EC's march toward European integration. Much will depend on how quickly politicians learn or rewrite the rules of the new political game, on which political parties survive, on the ratio of frustration to patience in populations who now know they can throw out politicians who do not deliver, and on armies no longer inhibited from intervening in the political process.

The political actors in post-Communist Eastern Europe are a varied group. In four countries the Communist party is a minority partner in a coalition government (Czechoslovakia, Hungary, Poland, and Romania); in Bulgaria a reform Communist majority government is headed by a non-Communist president; in Yugoslavia the Communist government's ruling party has essentially collapsed from within, and the government itself may become the victim of civil war; and Albania's ruling Communist party is trying desperately to adapt to demands for economic reform and democratization. As of October 3, 1990, post-Communist East Germany had become an internal problem for a united Germany and as such will share—if not equally—German space in the common European home.

## THE SEARCH FOR IDENTITY

The political dynamics in the seven countries that make up post-Communist Eastern Europe consist of the search of peoples and politicians for identity and security. On one level the revolutions of 1989 were a popular rejection of ideological, class-defined identity. The "nation" was rehabilitated. Look at any map of new or old Europe and the political implications of a return to historic national and ethnic identities are evident. The search for a new Yugoslavia could not withstand the June 1991 demands for Slovenian and Croatian independence. These two republics' declarations of independence collided with the unwillingness of militant Serbs in Croatia to live in an independent Croat state, and the determination of Serbian politicians to redraw Serbia's borders before the dissident republics divorced themselves from a federal Yugoslavia.

Romanians and Hungarians squared off over the issue of Transylvania. In Czechoslovakia, Slovak has become the official language of Slovakia, while the roughly half-million ethnic Hungarians living in that part of the republic may use Hungarian for official business in communities where they make up at least 20 percent of the population. This spring Slovaks hurled abuse at President Havel in Bratislava, and he has submitted a bill to parliament to hold a referendum on Czech-Slovak unity. Even in Poland, where 98 percent of the population is Polish, there are demographic and legal questions concerning the ethnic Germans who reside in territory that became part of Poland after World War II.

Among the political parties proliferating throughout the region (by October 1990 some 172 were registered in Yugoslavia) are those that are based on historic nations and those who view their mission as protecting the rights of national minorities such as the Macedonians in Bulgaria, Hungarians in Romania, or Gypsies in Czechoslovakia. Regardless of whether these parties make significant electoral inroads, no Hungarian government can afford to ignore the plight of the Hungarian minority in Transylvania, and no Macedonian politician will decline to speak out about what Yugoslav Macedonians consider cultural oppression of Macedonians in Bulgaria. Inevitably, the fate of "our brothers martyred in Kosovo" (a predominantly Albanian region in Yugoslavia) is high among the concerns of the opposition Albanian Democratic party. The search for identity increases the potential for violence both within the countries of Eastern Europe and between them.

## THE SEARCH FOR SECURITY

The dissolution of the Warsaw Pact and the search for identity have changed the mission of the region's armies to one of providing internal security or satisfying regional foreign policy objectives. Under these circumstances, it is likely that, despite the acknowledged end of the cold war and a declining East-West threat, there will be no "peace dividend" for post-Communist

Europe. Fear of national and ethnic regional conflict may not allow post-Communist leaders to reduce their armed forces and redirect the flow of resources to civil society. But this brings up another dimension of security that is especially important to Eastern Europe's workers: economic security.

The social contract the Eastern European Communist regimes offered their populations was that acceptance of one-party hegemonic systems and limited sovereignty within a family of socialist nations would bring a steady, if slow, improvement in their standard of living as their countries moved forward on the road to socialism. One of the reasons that Communist politicians adopted the "borrow now, pay later" strategy of the 1970s was to postpone cuts in subsidies on basic goods that their citizens had come to take for granted.

However, for soft-currency economies, hard-currency debts are like being addicted to crack. It is clear that, by the 1980s, these export-driven economies were hooked on foreign debt, like much of the third world. Debt servicing absorbed more and more of their hard-currency earnings and depleted investment funds. Borrowing hard currency to service these debts was equivalent to putting a Band-Aid on a problem that required major surgery.

With the dramatic collapse of communism, post-Communist politicians and planners look to the market as a panacea. They are undoubtedly right that a "great leap" into market economics will mobilize whatever external aid is available. However, the problem with using the market to regulate these economies is that the institution of market mechanisms will be followed by unemployment, inflation, and the imposition of IMF austerity programs.

The miners who rioted and called for the resignation of Romanian Prime Minister Petre Roman and President Ion Iliescu in September 1991 were not concerned with Iliescu's lack of democratic credentials. They demanded higher pay, lower prices, and an end to market-oriented reforms that were making their lives even more miserable than they had been under Ceausescu's iron rule.

Whatever the fate of Iliescu's government, it is a sobering reminder that when Eastern European workers, students, and housewives took to the streets against their Communist leaders, they did so in large part because their increasingly paralyzed command economies had failed to deliver. Measures to alleviate the hardships of the transition to a market economy are thus high on popular public policy agendas.

But for market economies to become a reality, post-Communist workers and consumers must learn new ways of thinking and new economic behavior. Workers must become more productive, but accept salaries that buy less. Subsidies must be eliminated. For many Eastern Europeans, the situation will deteriorate further before it improves. Economic security is not in the cards.

## OBSTACLES ON THE ROAD TO CAPITALISM?

Poland and Yugoslavia offer two case studies on the adoption of market economics. Poland, which became the first country in Eastern Europe to have a non-Communist coalition government since 1945, has had huge difficulties in its attempt to apply "cold turkey capitalism" to the tottering Polish economy. In December 1990, Solidarity Prime Minister Tadeusz Mazowiecki did not even make the runoff in the country's presidential elections, which speaks volumes about the appeal IMF prescriptions had for Polish voters.

Former Solidarity leader Lech Walesa won the runoff against Stanislaw Tyminski, a Polish-born Canadian millionaire whose rags to riches story captured the Polish people's imagination. Notwithstanding the government's subsequent ability to negotiate a substantial reduction in Poland's \$48-billion foreign debt, multiple opposition parties are challenging Prime Minister Jan Bielecki's economic program.

In Yugoslavia, the other experiment with the "Polish road to capitalism" is less well known because the American media has largely abandoned reporting on anything other than ethnic battles between Serbs and Croats, cease-fires, and rumors of army coups. Yet before the collapse into virtual civil war this summer, the Yugoslav economy was a relative success story.

At the end of 1989, Prime Minister Ante Markovic tackled an official annual inflation rate of 2,600 percent (unofficially thought to be much higher) with a six-month anti-inflation package worked out with the advice of Harvard University economist Jeffrey Sachs and under IMF supervision. By April 1990 Yugoslavia had a negative monthly rate of inflation. Notwithstanding the impact of summer wage increases, the annual inflation rate was projected to be about 20 percent (unofficially it was estimated at more than 100 percent).

However, the prime minister could not deliver on his promise that Yugoslavia would continue to function with or without the Communist party. During the spring of 1990, center-right oppositions won elections in Slovenia and Croatia. In May, Markovic announced that he would assemble an Alliance of Reform Forces and hold federal elections by the end of the year. Serbian president Slobodan Milosevic countered by merging the Serbian League of Communists with its own mass organization, the Socialist Alliance, to form the Socialist party of Serbia. Although he reluctantly allowed

opposition parties to take part in the subsequent Serbian elections, Milosevic continued to seek his legitimacy in the whirlwind of Serbian nationalism. His insistence on playing "the Serbian card" and economic mismanagement greatly sabotaged Markovic's economic progress and pushed the negotiations over the confederal or federal future of Yugoslavia into armed conflict.

Milosevic shares the blame for the ongoing "Lebanonization" of Yugoslavia. Croatian politicians who insisted on rewriting the Croatian constitution in a manner that played into his hands by inflaming the fears of the Serbian minority are also to blame; so are those in the Yugoslav federal army who either supported Serbian militants in the self-declared autonomous region of Krajina or would not protect the Croatian and Yugoslav economy by keeping the road through Krajina to the Dalmatian coast open. Slovenian decision makers, who backed out of their agreement to allow the joint presence of federal and Slovenian customs officials on Slovenia's borders while negotiations about the future Yugoslavia continued, share blame with those in the increasingly paralyzed federal government who decided to use the army to escort federal customs officials back to their posts. The same goes for the Slovenians who gloated over the humiliation of the Yugoslav army when Slovenian defense forces kept firing after the army had agreed to a cease-fire.

The European Community contributed to stabilizing the conflict in Slovenia, but has been largely powerless to cope with escalating violence in Croatia. And Germany's threat to recognize Slovenia and Croatia essentially backfired when the Croats attempted to speed up the republic's progress toward independence by isolating and cutting off food, water, and electricity to federal army garrisons in Croatia. As it became clear that neither EC recognition nor armed peacekeeping forces were in the offing, a fragile truce emerged between Croatian leaders and the federal forces, themselves challenged by a growing opposition within Serbia itself as well as by open resistance from Bosnia-Herzegovina and Macedonia.<sup>2</sup>

The concept of Yugoslavia as a federal republic is in tatters. If the fighting continues, what will be left of an "independent Croatia?" If "a greater Serbia" is the "winner," Serbs will be prisoners of the war economy that will be required to keep those who consider themselves "captive nations" in line. This is not a zero-sum game; it is a lose-lose scenario.

## CONTRIBUTIONS FROM THE AUDIENCE

Ideally, the collapse of the Communist monopoly of power and the rise of multiparty systems in post-Communist Europe would allow Eastern Europeans to become masters of their fate. However, in the political economy of the twenty-first century, that is probably wishful thinking. Unless the West is willing to prime the pump of post-Communist economies to help these

<sup>2</sup>The *New York Times*, September 20, 1991. The German preference for a more active peacekeeping role was strongly resisted by British Foreign Secretary Douglas Hurd, who reminded his EC colleagues of the tribulations of British forces in Northern Ireland. Indeed, strains that emerged during the tense days of EC efforts at conflict resolution pointed to the larger danger that Zoran Sekulic referred to as "a Yugoslavization of Europe." See *The International Weekly* (Belgrade), September 14-20, 1991.



fragile democratic coalitions deliver some short-term economic success while they consolidate electoral victories, their governments will not survive.

The most effective strategy would be for the EC and the United States to collaborate on a Marshall Plan for post-Communist Europe. But Western financial resources are undeniably limited. A fallback position that would buy time and credibility would be to grant debt-servicing moratoriums of between three and five years. The United States has suggested that such an option might be available for Latin America debtors under some circumstances. A similar option should be made available to the countries of post-Communist Eastern Europe.

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<sup>3</sup>Richard A. Gephardt, "America's Role in the New Europe" (Presentation to the Belgian Commission on Security, a Symposium on a New Security Model for Europe, Brussels, Belgium, February 23, 1990).

<sup>4</sup>Richard A. Gephardt, "American Leadership in the New World" (Presentation to the Center for National Policy, Washington, D.C., March 6, 1990).

Legislation in the 1990 United States Congress reportedly provided "more than half a billion dollars as . . . an investment in East European democracy"<sup>3</sup> Considering the cost involved in containing communism, it is not much of an investment in democracy. It is not even a very serious beginning, especially if we take House Majority Leader Richard Gephardt (D-Mo.) at his word that the Marshall Plan would cost \$82 billion today.<sup>4</sup>

Post-Communist Europe has evolved into a mixed bag of multiparty systems. In order for stable, democratic polities to develop, there must be a solid foundation of economic development. Without credible economic performance, post-Communist politicians risk being reduced to nationalist rhetoric and anti-Communist witch hunts in their search for legitimacy.

The basis exists for democratic party-building and for economic development in post-Communist Eastern Europe. If the United States does not join the European Community in throwing an economic lifeline to these countries, the long-run cost may be much higher than the cost of taking part in the rescue effort. ■

Cleaning up Eastern Europe's polluted land, air, and water will require years of effort and large infusions of aid. The cleanup must also compete with consumer demands for quality goods and services. "The question for Eastern Europe is how to chart paths of economic redevelopment that both supply the peoples' needs and respect the environment."

# The Environmental Morass in Eastern Europe

BY STANLEY J. KABALA

**F**orty years of economic expansion have resulted in acute environmental problems throughout Eastern Europe.\* One-third of the forests in the region are damaged by air pollution. The Baltic and Black seas are polluted by industrial wastes, sewage, and oil. Large tracts of scarce farmland are contaminated by carcinogenic heavy metals generated by industry. The water in 95 percent of Poland's rivers is unsuitable for municipal use; in 42 percent of the country's rivers the water is unfit even for industrial uses. In parts of industrial Upper Silesia, Poland's most polluted region, the concentration of smoke—perhaps the most harmful common air pollutant—regularly exceeds European Community (EC) standards by as much as 600 percent.<sup>1</sup>

The situation is similar in industrial areas across the region. In northern Bohemia, Czechoslovakia's industrial core, 70 percent of the rivers are heavily polluted, 40 percent of wastewater goes untreated, and half the forests are dying or damaged. What was formerly East Germany is home to what may be the most polluted town in the world—Bitterfeld. In these and other industrial areas throughout Eastern Europe, rates of pollution-related birth defects and illnesses, including leukemia,

tuberculosis, respiratory ailments, and heart disease, far exceed national norms.

## FOULED AIR AND WATER

Poland's Upper Silesia, Czechoslovakia's northern Bohemia, the southern provinces of eastern Germany, and the Ukraine's Donetsk Basin are today's equivalents of industrial areas such as the Ruhr or Pittsburgh half a century ago. These four regions receive average monthly deposits of sulfuric compounds that exceed 1,000 micrograms per square meter—the highest in Europe. A larger zone that covers most of Czechoslovakia, half of Poland, eastern Germany, and part of western Germany records monthly deposits of more than 500 micrograms per square meter. (Most of Eastern Europe's damaged forests, including those experiencing *waldsterben*, or forest death, are in areas in which sulfur dioxide pollution hovers at around this level.)

The intensity of pollution in the region can be gauged by comparing sulfur dioxide levels in countries on opposite sides of the old East-West divide in Europe. While deposits in West Germany had reached roughly 10 tons per square kilometer annually by the middle of the 1980s, figures for Czechoslovakia and East Germany were 22.6 and 35 tons respectively. Poland had average annual deposits of 14 tons per square kilometer, with a much smaller gross national product (GNP) to show for its pains than West Germany.

The table on page 385 shows sulfur dioxide emissions for several industrialized countries in terms of population and land area. Poland's emissions of the pollutant per person are nearly five times those of comparably sized West Germany and a third higher than those of the United States.

Water quality in Eastern Europe parallels the region's poor air quality. Austria, Czechoslovakia, Hungary, Yugoslavia, Bulgaria, and Romania join in an assault on the Danube River as it makes its way to the Black Sea. Pollution that begins near Vienna increases so steadily that by the time the river reaches Budapest, swimming in its water is not recommended. Germany's Elbe River

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\*Editor's note: The term Eastern Europe has been used in this article to include east-central and southeastern Europe.

<sup>1</sup>Richard Ackermann, "Environment in Eastern Europe: Despair or Hope?" *Transition: The Newsletter About Reforming Economies*, vol. 2, no. 4 (April 1991).

### Sulfur Dioxide Emissions for Selected Countries

	Emissions (thousand tons)	Emissions per capita (kilograms)	Emissions per \$ of GNP (grams)
East Germany	5,258	317	31
Czechoslovakia	2,800	179	24
Bulgaria	1,030	114	21
Poland	4,180	110	20
Romania <sup>1</sup>	1,800	78	19
Hungary	1,218	115	17
Soviet Union <sup>2</sup>	10,124	35	5
United Kingdom	3,664	64	5
United States <sup>3</sup>	20,700	84	4
Sweden	214	25	1
France	1,226	22	1
West Germany	1,300	21	1

Unless otherwise noted, data are preliminary figures for 1988.

<sup>1</sup>Emissions data from 1980.

<sup>2</sup>European part of the Soviet Union.

<sup>3</sup>Emissions data are for sulfur oxides.

Source: Hilary French, "Green Revolutions: Environmental Reconstruction in Eastern Europe and the Soviet Union," Worldwatch Paper no. 99 (Washington, D.C.: Worldwatch Institute, 1990).

### Energy Intensity: A European Comparison

	GDP (in millions of dollars)	Gross Energy Consumption (in MtCE)*	Energy Intensity	Pollution Intensity**
Belgium	79,080	60.82	0.77	7,656
West Germany	624,970	381.28	0.61	6,299
Spain	164,250	105.53	0.64	30,660
Hungary	20,560	42.42	2.06	33,800
Poland	70,439	180.67	2.56	23,757
Yugoslavia	44,730	62.62	1.41	28,571

\*MtCE = million tons coal equivalent

\*\*Tons per year of sulfur dioxide per million tons coal equivalent

Sources: World Bank, *Poland-Energy Investment: The Transition from Central Planning to Regulated Markets* (Washington, D.C.: 1988), and United Nations Economic Commission for Europe, *National Strategies and Policies for Air Pollution Abatement* (New York: United Nations, 1987).

carries effluents to the Baltic, where they contribute to the deterioration of that sea.

Water pollution in Eastern Europe is largely the result of decades of deferred investment in wastewater treatment by municipal as well as industrial polluters. In many countries seepage from improper solid waste disposal sites contaminates not only soil but also groundwater, posing a threat to city water supplies. Most cities, towns, and industrial plants discharge their wastewater untreated into nearby rivers.

### THE DEVELOPMENTAL BIND

The environmental crisis in Eastern Europe has its structural root in factors common to all centrally planned systems. Such systems have a bias toward heavy and extractive industries and production processes with low efficiency levels in the use of energy and materials.<sup>2</sup> The table above compares energy use, economic output, and pollution intensity in several European countries. As the table shows, the formerly centrally planned economies have energy intensity levels far higher than those in comparably developed economies in Western Europe.\*\* When the energy is derived principally from coal, usually burned without benefit of pollution con-

trol devices, high levels of energy intensity mean high levels of pollution will be found as well.

The emphasis on resource-intensive activities such as coal-mining, steelmaking, and chemical and heavy manufacturing is a legacy of the postwar development of modern industrial economies in the region. This effort was guided by the Stalinist model, which drove national economic growth by channeling labor, capital, and natural resources into heavy industry. In demographic terms, this meant draining the pool of rural labor for employment in industry and bringing women into the workforce. In financial terms, it meant forcing direct investment in industrial capacity at the expense of consumption, social goods, and, later, the environment. However impressive the Stalinist model may have been in transforming the Soviet Union from backwardness to modernity, adopting it in Eastern Europe meant following a pattern designed for a country with different cultural, economic, and political characteristics, and unmatched natural resources.

While the pursuit of industrial modernity seemed reasonable in Poland, with its underused agricultural population, relatively large size, and substantial reserves of black coal, it made considerably less sense elsewhere in the region. Hungary pushed the development of steel and other metallurgical industries despite a virtual absence of indigenous ores and hard coal. Czechoslovakia directed its efforts away from diversified manufacturing and invested in coal, steel, and similar industries; by the end of the 1970s, it ended up with a

\*\*Energy intensity is a comparative measure of energy use per unit of economic output.

<sup>2</sup>Jan Winiecki, *The Distorted World of Soviet-Type Economies* (Pittsburgh: University of Pittsburgh Press, 1988).



redundant, obsolescent heavy-industrial economy. East Germany, essentially an agricultural region in highly industrialized prewar Germany, created an industrial economy of its own fueled by indigenous, low-quality brown coal. Romania, the only country in the region with significant domestic reserves of oil, steadily resisted Soviet urging to become the breadbasket of the Council for Mutual Economic Assistance (CMEA) and embarked on its own program of national industrial development.

The result today is twofold. These countries are under strain from the weight of bloated industrial sectors and suffer from a lack of services and social goods—goods produced in what the Stalinist system designated as the “nonproductive” sectors. At the same time, the so-called “productive” sectors are so inefficient that they use three times as much energy per unit of economic output as the same sectors in the economies of Western Europe and North America.<sup>3</sup> This means three times as much coal burned for each kilowatt generated or ton of steel or cement produced. It also means that because pollution controls are lacking, three times the air pollution than one should expect is produced. And three times more energy, materials, and pollution than necessary are used to pay for the foreign technology, goods, or petroleum they need to run modern societies.

This developmental bind has had domestic political implications. One source of social dissatisfaction in Eastern Europe has been the region's Western European tastes and Eastern European means. Freed from Communist economics, the region's governments will strive to fulfill pent-up consumer demand and to continue industrial and economic growth in order to meet it. But because the Eastern European economies use energy and natural resources so intensively, increased production to meet consumer demand will place increased pressure on the environment. Concern for environmental quality will not stand in the way of rising expectations. The question for Eastern Europe is how to chart paths of economic redevelopment that both supply the peoples' needs and respect the environment.

<sup>3</sup>Author interview with Arpad Bakonyi, director of the environmental department of the Hungarian Ministry of Industry, Budapest, 1990; Adam Budnikowski, Stanislaw Sitnicki, and Maria Welfens, *Rozwoj Gospodarczy i Ochrona Srodowiska w Krajach RWPG* [Economic development and environmental protection in the countries of the CMEA] (Warsaw: National Economic Publishers, 1987); S. J. Kabala, ed., *Poland—the Environment* (Washington, D.C.: World Bank, 1989).

<sup>4</sup>Author interview with Janos Vargha, representative of the Danube Circle, Budapest, 1990.

<sup>5</sup>Remarks by Zoltan Illes, Hungarian Ministry for Environment and Water Management, at the Conservation Foundation, Washington, D.C., 1990.

<sup>6</sup>Presentation by Marshall Goldman at the Fourth World Congress on Soviet and East European Studies, Harrogate, England, 1990.

## AN ENVIRONMENTAL MOVEMENT FOR EASTERN EUROPE

The linking of economic and political power was almost inevitable in political systems in which the regime's principal claim to legitimacy was its guarantee of economic stability. As a result, government gave ministries considerable freedom, including the freedom to pollute, so long as they delivered the goods.

In any political system, information on pollution is the chief weapon of the environmental activist. Communist regimes severely restricted access to such information, because of their well-known preference for secrecy. This limited the pressure that environmentalists and an aroused public could bring to bear on the Communist governments of Eastern Europe for action on pollution control.

Events in Hungary in 1989 and 1990 showed how crucial the control of information was to the Communist system in Eastern Europe. The Hungarian environmental movement was the vanguard of the organized opposition that toppled the country's Communist regime. The movement's principal tactic was to confront the government with information that it did not want disclosed for public discussion. According to representatives of the Danube Circle, Hungary's leading environmental organization, the group simply attacked the foundation and key survival technique of the Communist regime: the control over information by one political force.<sup>4</sup> It did this by disseminating information on the environment that was outside the government's control. In Hungary and throughout Eastern Europe the crumbling of the government's monopoly on information extended beyond the environmental arena into all areas of life.

The environmental movement in Eastern Europe has been characterized as a training ground for democracy, a focus of anti-regime sentiment, and a foil for nationalism. Environmental activism played an important role in redefining the field of public political activity in Eastern Europe, making possible the open political action that eventually destroyed the Communist system in the region.<sup>5</sup> In both Eastern Europe, where insistence on national ecological prerogatives meant defiance of Soviet-inspired policies, and the Soviet Union's “break-away” republics, where insistence on republic ecological prerogatives meant defiance of Moscow's programs, environmentalism was the vehicle for nationalism's rise to prominence.<sup>6</sup>

Until the mid-1980s the environmental problems of Eastern Europe (except for Poland) and the Soviet Union were unknown to all but a few professionals in the region and an even smaller group of observers in the West. Data on it were treated as confidential information. But beginning in Poland during the Solidarity era of 1980–1981 and then in Hungary at mid-decade, the environment emerged as one of the main issues in opposition politics in the region.

Throughout the 1980s environmental deterioration acted as a delegitimizing agent in societies moving at various speeds away from the Communist pattern of monolithic organization. Growing political participation by an environmentally concerned public spearheaded the development of general political participation. At the same time, "pluralist" behavior in society strengthened the position of advocates of environmental protection.

## THE ENVIRONMENT, ECONOMICS, AND POLITICS

If central planning brought the countries of Eastern Europe to their present ecological impasse, market-oriented economics will not necessarily lead them to improved environmental quality. The West's experience ought to make clear that while market pressure may be a necessary condition for the efficient use of resources, it is not sufficient to induce economic actors to attend to ecological concerns. If anything, the Western experience shows that regulation and management of the environment, along with adequate public participation in decision making, are necessary to compensate for "market failure."

Moreover, most of the countries of Eastern Europe remain in the condition summarized by a Polish environmental economist as "no longer centrally planned but without a market as well."<sup>7</sup> Shaping effective and efficient environmental protection programs in such an uncertain situation is a daunting task.

A market framework of real prices and ownership structures that allowed firms to reap the benefits of increased efficiency in resource use could have a strong effect on environmental quality. In the 15 years after the 1974 oil embargo by the Organization of Petroleum Exporting Countries (OPEC), the United States economy grew some 40 percent while per capita energy consumption remained virtually constant. This significant achievement, which was in direct response to a steady increase in the price of energy, allowed the United States to avoid having to choose between economic growth and energy efficiency that would preserve the environment.

The countries of Eastern Europe were insulated from the impact of rising energy prices by their right to buy oil and natural gas from the Soviet Union at low CMEA "fraternal" rates that substantially trailed world prices. This turned out to be a mixed blessing, because the low prices removed Eastern Europe's motivation to engage in the conservation that has made it possible for the United States, Western Europe, and Japan to increase energy efficiency while decreasing environmental impact.

While the link between price and environmental quality is fairly clear in the case of energy, it is not so with all economic inputs. History shows that the one cost firms seek to avoid in the interest of profitability is that of pollution control. Market theorists argue that this results from the absence of effective prices for air, water, and land that firms would have to pay for the privilege of destroying these natural elements by pollution. If prices for these resources were set high enough, the theory goes, firms would find it in their financial interest to reduce or eliminate pollution. Over the last 25 years, however, regulation rather than price has been the tool of choice in market economies. The government has set and enforced environmental standards in response to public demands for protection of the environment and health.

## CLEANING UP EASTERN EUROPE

As they proceed to integrate environmental protection into their policies, the countries of Eastern Europe must gradually and progressively allocate resources to cleaning up lingering problems such as stored waste, toxic dump sites, and contaminated soil, and to controlling ongoing problems such as sewage treatment and air pollution. At the same time, they must adopt an approach that prevents pollution and preserves existing natural assets. This has already begun to happen in the West, where attention is shifting from "the end of the pipe" to the source—where, in many instances, prospective pollutants can be tackled quite effectively. Eastern Europe must take advantage of the opportunity to leapfrog the West's experience, and tap available expertise on reducing waste and pollution at their source. If they do so, they may find that controlling pollution can save, rather than cost, money.

The countries of Eastern Europe also need to recognize the possibilities for environmental protection at this unique moment in their history. The suddenness with which they cast off their old political system has created opportunities not available to other countries. Before the process of privatization of resources is too advanced, governments should consider aggressive action to shield tracts of land from development or exploitation, perhaps by designating them as national parks or protected lands. In a pleasant irony, one category of undeveloped land now under consideration for protection is the old Iron Curtain—formerly barbed-wire-covered border zones hundreds of miles long, untouched by development for nearly 50 years. The Hungarian government has already proposed that its former border security strips become protected greenbelts.

Continuing a policy conceived under the Communist regime, the Polish government is in the process of deciding how to protect the largely pristine northeastern fifth of the country, under a program called "the Green Lungs of Poland." (The motto of the program is "protection=development.")<sup>8</sup> In a move hailed by con-

<sup>7</sup>Remarks by Piotr Wilczynski at the United Nations Environmental Commission on Europe workshop on "The Economics of Sustainable Development," Washington, D.C., 1990.

<sup>8</sup>Author interview with Andrzej Kassenberg, director of the "Green Lungs of Poland" project, Warsaw, 1990.

servationists around the world, Romania has abandoned plans for development of the Danube delta; the program, designed at the behest of fallen dictator Nicolae Ceaușescu, would have transformed one of the Europe's largest remaining natural wetlands into a massive industrial zone.

## FOREIGN AID

Some areas of Eastern Europe are so badly polluted that they pose distinct risks to human health and require immediate action, including international aid. In the worst regions—northern Bohemia, Upper Silesia, parts of Romania, and the Donetsk Basin in the Ukraine—many large, inefficient, and highly polluting facilities will have to be closed. Beyond this, however, additional reductions in pollution will require financial assistance for air and water pollution control equipment and capital for the updating of outmoded industrial processes. Updating could increase efficiency and productivity immediately, but the payback period for investment in pollution control devices will be lengthy; thus the benefits must be measured in terms of long-term improvement of the environment and human health.

With limited resources, Eastern European countries will want to get the most “bang” for their pollution control “buck.” Removing a pollutant becomes more costly and difficult with each attempt. It may be the case, for example, that the first 50 percent of a pollutant coming out of a smokestack can be eliminated for the same price as the next 25 percent; thus, getting rid of a unit of pollutant in the second batch is twice as expensive as getting rid of one in the first. The governments of Eastern Europe may have to choose a combination of actions that partially reduces pollution in several locations without eliminating most of it in any one location, thereby doing away with more currently generated pollution for the money. The economics of pollution control may also dictate purchasing less expensive equipment that does a less thorough job rather than highly effective state-of-the-art technology.

How can the countries and institutions of the developed West aid Eastern Europe in this context? By providing great sums of money, is the obvious answer, but one circumscribed by political and economic realities. However helpful financial assistance from the West may be, it will come in amounts that are smaller than needed.

The enormity of the task can be grasped from an assessment prepared by the Polish Ministry of Environmental Protection and Natural Resources, which adopts a 30-year time frame. Beginning in 1991 and continuing for five years, efforts would focus on addressing immediate environmental threats to human health in

hard-hit areas such as Upper Silesia. By the year 2000, according to the assessment, Poland would attain national compliance with EC environmental standards. Finally, by 2020 the country will have been put on a course of “sustainable economic development” that integrates ecological concerns. The Polish government estimates that \$260 billion will be needed to accomplish the program's goals.<sup>9</sup> Comparable estimates exist for each country in the region.

While price tags for cleanup are in the hundreds of billions, as in Poland's grand scheme, foreign assistance is tallied in the hundreds of millions. The World Bank, for example, is lending Poland \$150 million for an energy conservation project that targets district heating systems, and \$100 million to upgrade highly polluting processes in chemical plants and at power generating stations. The bank is also lending Hungary nearly \$300 million for projects to improve energy efficiency and produce clean fuels. United States environmental assistance began with embarrassingly modest allocations of a few million dollars and has only now reached tens of millions of dollars.

This disparity between the amount needed and the amount that has been provided indicates that East European countries will have to pull themselves out of their environmental morass largely by their own bootstraps. The countries of Eastern Europe, with their high levels of education and technical ability, do not need access to knowledge as much as they need access to experience. Education and technical ability need to be catalyzed and redirected in effective channels, with advice from countries that have been there before, in a decades-long process of reconstruction.

In Western experience, shaping responses to environmental protection has been a three-sided process. Current activity on the part of industry in the United States and Europe to comply with environmental regulations stems in part from fear of fines and future legal liability and in part from the recent recognition that preventing pollution can be cheaper than controlling it. To a great extent the burgeoning \$200-billion-a-year American market in goods and services geared toward environmental protection is driven by the regulatory force of the federal and state governments.

Yet to say that all Eastern Europe needs to clean itself up are improved techniques in industry and tighter government regulation is to leave out the force that initiated the process in the West and still drives it: public pressure on government for action on environmental quality. Public participation is the third element in the process, the one element missing from environmental affairs in Eastern Europe under its Communist regimes. The efforts of Western governments and environmental groups to expand the capabilities of nongovernmental environmental groups in Eastern Europe is very much on target, as a means of simultaneously pursuing environmental quality and building democratic experience there.

<sup>9</sup>“Ecological Priorities in Poland and Their Estimated Cost” (Warsaw: Ministry of Environmental Protection, Natural Resources, and Forestry, 1990).



Western cooperation can greatly help this process, even if some in Eastern Europe think the actual amounts of aid are too small. The thrust of grants, loans, and debt-for-nature swaps from the United States and the EC is to help increase energy efficiency, mitigate hazards to health in the most polluted areas, and build institutional capacity in government, industry, and civic organizations. If mitigation assistance amounts to giving a hungry man some fish, then the latter effort of capacity-building corresponds to teaching him how to fish.

The advice and assistance that Eastern Europe receives from the United States will be guided by a concern to address economic and political as well as ecological objectives. The United States will support the design of sustainable sectoral policies based on the recognition that policies for industry, energy production, agriculture, and transportation often have a greater impact on environmental quality than "environmental" policies as such. It will encourage the simultaneous development of credible, enforceable environmental regulations to replace the fanciful system of stringent standards and virtually nonexistent enforcement that

characterized environmental regulation under the former Communist regimes. In supporting specific investments, United States aid will target pollution prevention rather than traditional "end-of-pipe" pollution control. At the same time, assistance will be offered to support public participation in decision-making processes.

Finally, the countries of Eastern Europe will be encouraged to frame regional approaches to shared environmental problems.<sup>10</sup> This last element carries a full measure of the irony that characterizes international relations in the new Eastern Europe. Now that they have regained full national sovereignty, the countries of the region are more inclined to cooperate with each other than they were as "fraternal allies" in the Soviet sphere.

That the countries of Eastern Europe are no longer unwilling members of the Soviet camp may very well turn out to be the most significant fact in their cleanup of the environment and their future development. For decades social innovation in the more advanced societies of Eastern Europe was hobbled by the need to wait for progress in the Soviet Union; the tension generated by this led more than once to confrontation between government and people. Now that they are free to chart their own course unhindered by an ill-suited ideology, the countries of Eastern Europe have the chance to join their industrialized counterparts in Europe and North America and engage in economic redevelopment that respects the basic needs of both people and nature. ■

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<sup>10</sup>*Environmental Conditions in Poland and Hungary* (Washington, D.C.: U.S. Environmental Protection Agency, 1991), a report to Congress requested under Section 703 of the Support for East European Democracy Act of 1989.

"With its concentration on the changes in Eastern Europe and the Soviet Union, the United States has largely neglected Southern Europe. But in the years to come, the United States and the rest of Europe will need to respond creatively to the enormous cultural, social, economic, and political changes in the southern swathe of Europe."

## Southern Europe's Transformation

BY HOWARD J. WIARDA

Since World War II, and especially in the last 15 years, Southern Europe has undergone a cultural, social, political, and economic transformation.\* Italy has led the way, and Spain, Portugal, and Greece have followed. Not just economically, with the second enlargement of the European Community (EC) in 1986, but politically and psychologically as well, the Mediterranean countries have now joined the continent. The domestic changes in the countries of Southern Europe also carry enormous international implications, which may lead to greater independence and new directions in their foreign policies.

### CULTURAL CHANGES

Southern Europe's recent prosperity and successful transition to democracy and stability have stimulated a cultural renaissance in the countries that make up the region. Italy initiated the cultural flowering after World War II, and since Portugal's revolution in 1974, the movement against the colonels who ruled Greece that same year, and the death of Spanish dictator Francisco Franco in 1975, there has been impressive cultural innovation in these three countries also. Music, the visual arts, theater, film, and architecture are all flourishing.

Perhaps the greatest creative renaissance is occurring in Barcelona, which may now be the most dynamic city in Europe. Barcelona is being spruced up for the 1992

Olympics as well as the celebration of the 500th anniversary of Christopher Columbus' discovery of America; about \$2 billion will be spent on stadiums, hotels, museums, and restaurants designed by the world's best-known architects. The explosion of culture there only slightly surpasses similar ones in Rome, Milan, Athens, Madrid, Lisbon, and a surprisingly large number of other cities in the region.

Immense changes in the social culture are also under way. The process of secularization is well advanced, and the Catholic Church, once a dominant actor in the region, has been gravely weakened as a cultural and political institution. In Portugal, still the most traditional of the Southern European countries, the proportion of practicing Catholics has dropped to about 15 percent of the population; in Italy and Spain the percentages are approximately half that.

The Church is no longer able to dictate public policy, and has become so weak politically that it could not even block legislation permitting divorce and family planning in Spain and Portugal. These two countries, along with Italy, are no longer "Catholic political cultures" grounded on Thomistic notions of authority and hierarchy. They have instead become primarily secular, urban, and materialistic, subscribing to "universal," individualist values—just like the rest of Europe. The younger generation wants jeans, Coke, freedom, and rock music, and the population as a whole has been caught up in the global political culture of democracy and consumerism, making it inconceivable that the clock could be turned back.

Historically, there has been conflict between the "two Spains," "two Portugals," "two Greeces," and "two Italys"—between the modern, urban, democratic, secular, European-oriented sector and the traditionalist, rural, conservative, religious, inward-looking sector of the country. This rent the nation's soul and often produced conflict and instability—and, in Spain's case, civil war. But the modern version of these countries has now definitively triumphed, leaving mainly curiosity about and mild nostalgia for the "old country." Only in iso-

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\*Southern Europe encompasses Greece, Italy, Portugal, and Spain, according to the European Community's definition of the region.

lated rural areas and villages is life still dominated by religious spectacle, a sense of the absolute, rigidly drawn social lines, and fatalism. Even this Spain, this Greece, this Italy, and this Portugal are quickly disappearing.

## ECONOMIC MIRACLES

Southern Europe's cultural changes have been fueled by an economic transformation that has made the countries of the region prosperous and even affluent for the first time in centuries. The culture of poverty that once defined Southern Europe has given way to a culture of consumerism and material goods. Poverty still exists, as it does in other modern countries, but chiefly in pockets.

Italy once again has led the way. In fact, Italy has become so prosperous that it surprises even the Italians. During the 1980s, when many other countries experienced on-and-off recession, the Italian economy boomed, with annual growth rates averaging 3.9 percent. When economists two years ago reassessed the country to take into account its vast underground economy (based on barter or cash transactions hidden from taxation agencies), they found that Italy had surpassed Great Britain to become the world's fifth-largest economy and was approaching the level of fourth-ranking France. Even the south of Italy, the Mezzogiorno, historically the country's poorest region, has benefited from the boom. Italy is brimming with self-confidence and a sense of well-being, and most economists expect respectable growth to continue.

Spain has been Southern Europe's other economic miracle. During the 1960s, after Franco freed the economy from its autarkic focus, Spain's economic growth was second only to Japan's. Per capita income doubled—and doubled again. Like Italy, Spain continued to boom in the recessionary 1980s. When it formally joined the EC in 1986, the economy received another stimulus, since Spain qualified for considerable European assistance and was the target of massive new investment. There was a brief downturn in 1990 as the world economy also faltered, but the economy is expected to rebound.

Portugal's economy has not performed as well as Italy's or Spain's, but it has seen impressive growth nonetheless. The political upheaval of the 1970s gave way in the 1980s to a stable and moderate Portuguese government that was more attractive to foreign investors. Membership in the EC, which came in 1986, provided considerable subsidies, and new investment began to pour in. The subsidies will end soon, however, and there is considerable fear in Portugal that the country's small-sized and family-based firms will be unable to compete with the larger European firms. Portugal will undergo a period of adjustment, even though economic growth is expected to continue.

Greece has not shared Southern Europe's prosperity. A decade of chaotic Socialist rule under Prime Minister Andreas Papandreou has left the Greek economy ap-

proaching third world status. High unemployment, an inflation rate of 23 percent, and a large budget deficit are compounded by a bloated, inefficient public sector, including a vast welfare system that hardly functions and is rife with patronage and corruption.

When Papandreou and the Socialists were defeated last year by a conservative coalition headed by Constantine Mitsotakis, observers expected the economy to improve and foreign investment to increase. But Mitsotakis has proved to be cautious in tackling the country's economic problems. He has only a one-seat majority in the parliament, and the left and the unions in Greece are formidable foes. The economy has continued to deteriorate, and Greece has replaced Portugal as the poorest country in the EC. As a condition for new loans, the Community is pressuring Greece to reduce its budget deficit, inflation rate, and the public sector; limited progress may be expected on all three fronts while Mitsotakis is in power.

## A NEW SOCIETY

The economic boom in Southern Europe has led to vast social changes and a new kind of society whose precise character is still uncertain. One of the most dramatic changes has been the shift from a largely rural to a largely urban population. People are leaving the countryside and flocking to the cities and other prosperous regions where jobs can be found. Southern Europe's historic "peasant problem" of poverty and lack of progress in the countryside is being "solved" by this rural exodus. The elderly, women, and children are left behind in the villages (although women too are now starting to migrate). Peasant agriculture is also disappearing as larger, sometimes corporate, farms are taking over.

The rural areas are beginning to share in the greater affluence and new social programs emanating from the capital cities. Even smaller regional centers have vast new shopping centers, factories, and employment opportunities. More slowly in Greece and Portugal, more rapidly in Italy and Spain, an entire rural way of life—slower, more conservative—is fading. Meanwhile newly affluent city-dwellers are "rediscovering their roots" and buying land and homes for weekend retreats in the areas from which they came.

A second major social change is the new role of women. An unprecedented number of women now work outside the home. Poorer women have found employment as secretaries, store clerks, or factory workers, while middle- and upper-class women are becoming a greater presence in the professions (women now make up nearly 50 percent of the student body at universities). Frequently these working women are bringing home paychecks larger than their husbands', causing outbreaks of machismo and quarrels over the management of the family's funds. New questions are being raised about who will provide day care (still usually aunts and grandmothers). At the same time traditional



family relationships are being upset, and divorce is becoming more prevalent. The traditional patriarchal family is undergoing transformation.

A third change is generational. Nowhere are the generation gaps larger than in Southern Europe, especially in Portugal and Spain. The long dictatorships in those two countries created two generation gaps. The first was between those who made up the old order and a new generation of politicians and bureaucrats in their thirties, forties, and fifties who had long been eager to inherit power from the aging dinosaurs, as Franco and Portuguese dictator Antonio de Oliveira Salazar were called. This shift was largely accomplished in the 1970s when Portugal and Spain became democratic.

But there is also a generation of young people oriented toward pleasure and consumerism and often uninterested in political issues. They are like young people everywhere in their devotion to rock music, freedom from all constraints, and new ways of dress and conduct. This youth generation is often a mystery not only to the Franco/Salazar generation, but also to the generation that has assumed responsibility since the mid-1970s.

In all the countries of the region an ambitious entrepreneurial spirit has emerged, along with a new entrepreneurial class. This is especially evident in Italy, which has hundreds of thousands of new small businesses, characterized by flexibility, imagination, and a willingness to work hard and take risks. Profits are often augmented by the fact that many of these new businesses operate at the margins of the underground economy. These highly competitive new companies are very different from the state-protected monopolies and oligopolies of the past.

The unions have been energetic in all four Southern European countries, but only Greece has experienced a wave of strikes. In Italy workers are more prosperous than ever before, and many are joining the middle class; in Spain a series of pacts providing higher wages in return for a no-strike pledge has been signed by the state, employers, and unions; and in Portugal new jobs and rising affluence have undercut the former militancy of the unions. As wages and working conditions have improved, Communist strength in the unions has declined and socialist (and in Italy, Christian-Democratic) unions have become more prevalent.

Although there are still major class differences, the social gaps between rich and poor are not so apparent as before; the intense class conflict of a generation ago has abated. The middle class is now dominant in such institutions as political parties, the bureaucracy, unions, the Church, business, and the military, and it should provide a more solid basis for democracy and stability for the countries of Southern Europe.

## DEMOCRATIZATION

In the last two decades Greece, Portugal, and Spain have gone through a remarkable process of democrati-

zation. Italy made the transition to democracy earlier, after World War II and the fall of Mussolini. The democratization of Southern Europe is one of the great accomplishments of the late twentieth century; it is as important as the reunification of Germany in 1989 and the recent changes in Eastern Europe and the Soviet Union. Southern Europe's democratization has also provided a model for the democratic openings in Latin America and East Asia.

Portugal's 1974 revolution ushered in a period of turmoil, but the country has since stabilized. In 1987 under Aníbal Cavaco Silva, the Social Democratic party won an absolute majority in the Portuguese parliament, the first time any party had done so since the revolution. The Social Democrats compete with the Socialist party and a declining Communist party on the left, and with the Social Democratic Center on the right. With the economy performing well, centrist government seems likely to continue in Portugal.

After Franco's death in 1975, Spain went through a *reforma*, not the *ruptura* experienced by Portugal. Franco's ministers were replaced by the centrist Adolfo Suárez; his party, the Union of the Democratic Center, in turn yielded to the Socialist party of Felipe González in the 1982 elections. González, young and charismatic, has served as prime minister for nearly a decade. Meanwhile the Spanish right wing, once powerful, has been in decline and the center has been divided. González's government, though generally "clean," has been charged recently with corruption, and after ten years in power the Socialist party has antagonized various groups. But a strong center-right coalition, long envisioned in Spain but never organized, has not yet come into existence to challenge González.

Greece began its transition to democracy in August 1974, when the military dictatorship surrendered power to a democratic government. Since then the country has oscillated between right and left. Conservatives ruled the country during the first few years of democracy, and the country remained generally stable. In 1981, however, Papandreou and his Socialist party introduced a decade of tumultuous rule. The conservative New Democracy party under Mitsotakis returned to power in April 1990. Greece remains politically polarized, with a divided middle class and rampant class conflict. The country is still dependent on aid from the EC and support from the United States.

Italy's political system is both a source of wonderment (Italians refer to it as *lo spettacolo*, the spectacle) and, strangely enough, a possible model for the rest of Southern Europe. Although Italy has had 50 governments since World War II and thus appears unstable, it has had only 19 prime ministers (some of whom have held the position several times). In addition, the bureaucracy, the political elite, and the state system have remained stable. Moreover, the Italian government has helped provide unprecedented prosperity, repulsed a strong

Communist challenge, and beaten back terrorism.

Nevertheless, there is a growing sense that the system has become bloated and unresponsive, and needs to be reformed. No one knows what form such institutional fixes will take—whether attempts to strengthen the presidency, or perhaps to defuse intense party factionalism and interest group pressures. Some argue that since the country is doing well economically, the system should not be tampered with.

In 1985 all the countries of Southern Europe were governed by socialists, and it appeared that socialism would be the wave of the future in the region. But since the mid-1980s Portugal and Greece have elected more centrist governments, Italy has backed away from the “historic compromise” with the Italian Communist party, and it seems just a matter of time before a center-right movement in Spain displaces González and the Spanish Socialist party. The move to the center has helped ensure economic prosperity as well as a more stable politics, and has probably strengthened democracy in the region.

### LOOKING AHEAD IN FOREIGN POLICY

The prosperity, stability, and democratic legitimacy that Southern Europe enjoys have enabled the countries in the region to pursue a more independent foreign policy role than was possible in earlier decades. The cold war's end and the greatly diminished Communist threat have also freed the countries in the region to assert themselves in new directions.

Southern Europe is questioning its relationship with the North Atlantic Treaty Organization (NATO). The region has always considered itself far removed from any potential Central European conflict, and with the dissolution of the Warsaw Pact this year it feels even less anxiety about potential threats. In July 1990, Greece signed an eight-year pact allowing the United States continued use of military bases in the country in return for \$1 billion in military assistance; Spain, Portugal, and Italy will

also renew their base agreements with the United States. Nevertheless, in each of the four countries there is a great deal of public and official ambivalence about the bases, and a strong sense that they are no longer necessary. More troop reductions in the units stationed at these bases and tighter restrictions on the storage of nuclear and chemical weapons are likely.

Closer relations among the Southern European countries is a second trend. The region's prime ministers meet regularly, exchanges between ministries and specialized government agencies are commonplace, cultural exchanges have been greatly expanded, and joint business ventures have increased. In the EC the countries of the area have begun to see themselves as a special sub-regional caucus. Southern Europe has not become a “bloc” in any formal sense, but there is widespread recognition of a common “Mediterranean” cultural heritage and of linked if not common issues and problems, such as the Mediterranean Sea itself, with its pollution and overlapping fishing rights.

Finally, there are new, often connected, out-of-area issues. Partly because of emigration, oil needs, and increased commerce and tourism, all the Southern European countries have recently forged closer ties with the countries of North Africa. Moreover, since the Southern European countries are large oil importers, they have an interest in seeing conflicts in the Middle East resolved (including the question of a homeland for the Palestinians), and tend to tilt toward the Arab states rather than Israel.

All these trends point toward greater independence from the United States, greater regionalism, and more assertiveness in foreign policy. With its concentration on the changes in Eastern Europe and the Soviet Union, the United States has largely neglected Southern Europe. But in the years to come, the United States and the rest of Europe will need to respond creatively to the enormous cultural, social, economic, and political changes in the southern swathe of Europe. ■

# BOOK REVIEWS

## ON EUROPE

### **The Declining Hegemon: The United States and European Defense, 1960–1990**

By Joseph Lepgold. New York: Praeger Publishers, 1990. 225 pp., \$45.00, cloth; \$15.95, paper.

### **Securing Europe**

By Richard H. Ullman. Princeton: Princeton University Press, 1991. 183 pp., \$19.95.

President Bush's stunning announcement on September 27 that the United States would withdraw all tactical nuclear weapons from Europe is but the latest blow to the cold war security structures that were put in place in Europe by the United States and NATO. In *The Declining Hegemon*, Joseph Lepgold analyzes the decisions that shaped European security before the revolutions in Eastern Europe and the demise of the Warsaw Pact. Much of the book provides empirical evidence for a theoretical claim—that the United States is an example of a hegemonic power in decline.

Less theoretical and more forward-looking is Richard Ullman's examination of European security at the end of the cold war. Ullman succinctly reviews and analyzes the major actors and institutions that have shaped security policy on the continent. He believes that none of the European security alliances will last beyond the end of this century—including the steadily atrophying NATO. He proposes a European Security Organization, based on the models of the Conference on Security and Cooperation in Europe (CSCE) and the Western European Union (WEU), to take their place in providing pan-European security. Ullman is optimistic that anarchy and a return to historical differences will not take root in the new Europe with the end of the nuclear standoff between NATO and the Warsaw Pact. As he notes, much depends on whether political leaders take advantage of the enormous opportunities available at the conclusion of the postwar world.

William W. Finan, Jr.

### **The Dynamics of European Integration**

Edited by William Wallace. New York: Columbia University Press, 1991. 308 pp., \$54.00.

If the European Community finds it difficult to participate in world affairs as a single body, how much more difficult the task for political scientists attempting to define it as one.

Not that they don't try.

In addition to providing an excellent summary of the historical circumstances and arrangements that have led to the creation of the Community, the 16 essays in *The Dynamics of European Integration* speculate on the effects Eastern Europe's revolutions and the changes in the Soviet Union will have on Europe in 1992 and beyond.

The book provides viewpoints from scholars around the

world on topics such as multilateral negotiations and the performance of the Nordic nations in the European economy. The essays do not suggest any solutions or sure bets for the European Community, but rather indicate where changes have taken it in the past and where they may take it in the future.

Sean Patrick Murphy

### **Of Walls and Bridges:**

### **The United States and Eastern Europe**

By Bennett Kovrig. New York: New York University Press, 1991. 425 pp., \$40.00, cloth; \$17.50, paper.

If the word "timely" can be used at all in describing books on Eastern Europe today, it applies to Bennett Kovrig's most recent work. Kovrig offers a wide-angle view of America's ambivalent relationship with Eastern Europe since the Yalta conference in 1945. The author argues that "America's refusal to countenance the legitimacy and permanence of Soviet domination and Communist dictatorship in Eastern Europe" helped the countries of the region gain independence; he recommends that pressure should be maintained on the Soviet Union to ensure the eventual independence of those republics that seek it.

S. P. M.

### **The Great Crusade:**

### **A New Complete History of the Second World War**

By H. P. Willmott. New York: The Free Press, 1990. 500 pp., \$24.95.

Willmott regards the view of German military "excellence" in World War II as "both pernicious and a myth." He is surprised that the myth has held up for almost 50 years since the end of the war, and in this book he tries to put it to rest by detailing, campaign by campaign, how the Germans and the Japanese failed to wage war. Willmott believes that the leadership of both nations did not—perhaps could not—organize their countries for war. Instead, they fought from victory to victory and from defeat to defeat, never comprehending the need to organize and establish long-term war plans.

This argument goes a long way toward explaining Hitler's surprise that Great Britain continued to fight after Dunkirk. Willmott could have strengthened his thesis by showing that a nihilistic political leadership would favor a "blitzkrieg" strategy—short, violent campaigns against individual opponents with no overall plan for political gain. This is borne out by the fact that German wartime production switched to the production of civilian goods in July 1940; it was not until 1944 that Germany finally began to produce more war goods than in the period between 1939 and 1941.

While exposing the myths of German and Japanese military superiority, Willmott does not answer a central question: Why have the Allies perpetuated these myths?

Allin Dittmann ■



# THE MONTH IN REVIEW

SEPTEMBER 1991

## INTERNATIONAL

### Conference on Security and Cooperation in Europe (CSCE)

Sept. 10—In Moscow, the 35 member countries of the CSCE vote unanimously to admit Estonia, Latvia, and Lithuania.

### European Community (EC)

(See also *Yugoslavia*)

Sept. 3—Dutch Foreign Minister Hans van den Broek, who currently holds the EC's rotating presidency, announces that the EC will sponsor 2 months of arbitration to resolve the conflict in Yugoslavia, beginning September 7 in The Hague.

Sept. 4—In Brussels, the EC approves \$11.8 million in technical assistance for market reform in the Soviet Union; this is the 1st installment of \$1.06 billion in aid that was allocated in December 1990 but suspended after the Soviet crackdown in the Baltic states.

### International Atomic Energy Agency (IAEA)

Sept. 24—In a parking lot in Baghdad, Iraqi soldiers detain 44 weapons inspectors removing copies of personnel and procurement files from the Iraqi Atomic Energy Commission's record center; yesterday soldiers detained the inspectors for 12 hours and confiscated other documents from them; David Kay, the team's chief, tells reporters by satellite telephone that the files document Iraq's secret nuclear program.

The UN Security Council announces that Iraq, reversing an earlier stand, has agreed to allow UN helicopters carrying UN weapons inspectors to fly without interference inside the country as stipulated under the terms of the Persian Gulf war cease-fire.

Sept. 28—In Baghdad, the detained inspectors are permitted to leave with the documents they seized on September 24 after they agree to prepare jointly with Iraqi authorities an inventory of the papers.

Sept. 30—At a news conference after the inspection team's arrival in Bahrain, Kay says the team found Iraqi designs for a nuclear detonator and removed 25,000 pages of documents.

### International Terrorism

Sept. 24—In Beirut, the pro-Iranian Revolutionary Justice Organization releases British hostage Jack Mann, who was kidnapped in 1989.

### Palestine Liberation Organization (PLO)

Sept. 27—In Algiers, the Palestine National Council, the PLO's highest legislative body, authorizes the leadership under chairman Yasir Arafat to decide on Palestinian participation in a US- and Soviet-sponsored Middle East peace conference scheduled for next month; the council

says its conditions on Palestinian participation in the peace conference include a freeze on Israeli settlements in the occupied territories.

Sept. 28—The council accepts the resignation of Abu Abbas from its executive council; at a news conference Arafat says the US, which had accused Abbas of directing terrorist activities, should now reopen direct talks with the PLO that were broken off last year.

### United Nations (UN)

(See also *Intl*, *IAEA*; *Afghanistan*; *Cambodia*; *El Salvador*; *US*, *Foreign Policy*)

Sept. 17—The General Assembly votes to admit North Korea, South Korea, Estonia, Latvia, Lithuania, the Marshall Islands, and Micronesia to the UN, raising membership in the organization to 166.

Sept. 19—Slightly revising resolutions passed on August 15, the Security Council approves, 13 to 1 with 1 abstention, a resolution authorizing Iraq to sell \$1.6-billion worth of oil over the next 6 months, with proceeds to go into a UN escrow account; one-third of the money will be designated for war-compensation payments; the UN must approve Iraq's spending of the remainder for food, medicine, and other emergency humanitarian supplies.

Sept. 23—In his annual address to the General Assembly, US President George Bush calls on the UN to repeal Resolution 3379, passed in 1975, which equates Zionism with racism; Bush says the UN "cannot seek peace [in the Middle East] and at the same time challenge Israel's right to exist."

## ABU DHABI

Sept. 9—The government detains former executives of the Bank of Credit and Commerce International (BCCI) in its investigation of the bank's fraudulent activities; the government and the ruler of Abu Dhabi, Sheik Zayed bin Sultan al-Nahayan, own 77.4% of BCCI.

## AFGHANISTAN

(See also *US*, *Foreign Policy*)

Sept. 30—President Najibullah calls for multiparty local and provincial elections in both government- and mujahideen-controlled areas; he calls on the UN to monitor the elections. National elections are scheduled for 1992.

## ALBANIA

Sept. 7—Albania and the Vatican establish diplomatic relations.

## ANGOLA

Sept. 29—Jonas Savimbi, the leader of the National Union for the Total Liberation of Angola (UNITA), returns to

Angola to campaign for the leadership of the country; multiparty elections are expected to be held next year. Savimbi led UNITA in a 16-year guerrilla war against the government.

## ARGENTINA

Sept. 2—Colonel Mohammed Ali Seineldin and 14 other army officers who staged an insurrection on December 3, 1990, are convicted of mutiny by a federal appeals court; Seineldin is sentenced to life in prison and the others to prison terms of between 2 and 20 years.

Sept. 5—In Buenos Aires, the foreign ministers of Argentina, Brazil, and Chile sign a declaration banning the development, manufacture, and use of chemical weapons.

## BELGIUM

(See Zaire)

## BRAZIL

(See Argentina)

## BULGARIA

(See Yugoslavia)

## CAMBODIA

Sept. 20—The Vietnamese-supported government and the 3 factions opposing it agree on a plan for UN-supervised elections for representatives to a national assembly; under the plan, each faction would receive proportional representation according to its share of the popular vote.

## CANADA

Sept. 9—Federal employees strike to protest the government's plan to freeze wages this year and limit raises for the next 2 years.

Sept. 16—Prime Minister Brian Mulroney introduces legislation to end the strike.

Sept. 17—The National Defense Department says it will close Canada's 2 bases in Germany and reduce the number of its troops in Europe by more than 80%, from 6,600 to 1,100, by 1995.

Sept. 24—Mulroney proposes revisions to the constitution that grant Quebec legal recognition as a "distinct society," establish an elected senate, and allow self-rule within 10 years for the Indian and Eskimo populations; adoption of the revised constitution requires the approval of Parliament and the endorsement of 7 of Canada's 10 provinces.

## CHILE

(See Argentina)

## CHINA

Sept. 3—In Beijing, British Prime Minister John Major signs an agreement with Chinese Prime Minister Li Peng on the construction of a new airport in Hong Kong; Major is the Western leader to visit China since the Tiananmen massacre in 1989.

## CUBA

(See USSR)

## EL SALVADOR

Sept. 25—In negotiations in New York under UN auspices, Salvadoran President Alfredo Cristiani and 5 commanders of the guerrilla Farabundo Martí National Liberation Front (FMLN) agree to a pact that covers a range of economic and security issues relating to the reintegration of the FMLN guerrillas into civilian society. Negotiations to conclude a cease-fire are scheduled to resume October 12.

Sept. 28—A court in San Salvador finds Colonel Guillermo Alfredo Benavides Moreno guilty of murder and terrorism in connection with the killing of 6 Jesuit priests and 2 Salvadoran civilians at a university residence in 1989; he is the 1st Salvadoran military officer to be found guilty of murdering civilians. Lieutenant Yushy René Mendoza Vallecinos is also found guilty of killing one of the Salvadoran civilians.

## ESTONIA

(See Intl, CSCE, UN; USSR; US, Foreign Policy)

## FRANCE

(See Zaire)

## GERMANY

(See also Canada)

Sept. 6—Lothar de Maizière, the last prime minister of East Germany, resigns as deputy chairman of the Christian Democratic Union and says he is retiring from politics; he denies allegations that he collaborated with the Stasi, the East German secret police, while prime minister.

## HAITI

Sept. 30—Rebel soldiers arrest President Jean-Bertrand Aristide; at least 26 people are killed and 200 injured in the coup. The soldiers reportedly mutinied yesterday because of changes Aristide has introduced into the military to democratize it.

## IRAQ

(See also Intl, IAEA, UN; US, Foreign Policy)

Sept. 3—The ruling Revolutionary Command Council issues a law permitting opposition political parties; the new parties may not operate in the armed forces and are not to be based on race, sectarianism, or regionalism.

Sept. 14—President Saddam Hussein dismisses the prime minister, Saadun Hamadi, after 6 months in office; Hamadi had pledged to work for political pluralism in Iraq.

## ISRAEL

(See also Intl, UN; US, Foreign Policy)

Sept. 11—In southern Lebanon, Israel releases 51 Arab prisoners and the remains of 9 guerrillas after it receives information that an Israeli soldier long missing in Lebanon is dead.

## JORDAN

(See US, Foreign Policy)

## KOREA, NORTH

(See Intl, UN)

**KOREA, SOUTH**(See also *Intl, UN*)

Sept. 10—The Democratic party, led by Lee Ki Taek, and the New Democratic party, led by Kim Dae Jung, announce that the 2 opposition parties will merge; the new party, called the Democratic party, will hold 80 of the 298 parliamentary seats.

**KUWAIT**(See *US, Foreign Policy*)**LATVIA**(See *Intl, CSCE, UN; USSR; US, Foreign Policy*)**LEBANON**(See *Israel*)**LIBERIA**

Sept. 17—In Yamoussoukro, Ivory Coast, Charles Taylor agrees to disarm his militia under the supervision of a West African peacekeeping force; Taylor initiated a civil war in Liberia in December 1989 that resulted in the assassination of President Samuel Doe.

**LITHUANIA**(See *Intl, CSCE, UN; USSR; US, Foreign Policy*)**MARSHALL ISLANDS**(See *Intl, UN*)**MICRONESIA**(See *Intl, UN*)**PHILIPPINES**

Sept. 15—President Corazon Aquino says she will sponsor a national referendum on extending the US lease on Subic Bay Naval Station if the Philippine Senate rejects ratification of the new 10-year lease. The current lease expires tomorrow, but Aquino's offer to hold a referendum effectively extends the deadline.

Sept. 16—The Senate rejects, 12 to 11, ratification of the new lease on Subic Bay.

**POLAND**

Sept. 14—The parliament rejects, 196 to 99 with 32 abstentions, the government's request for authority to issue economic decrees.

**ROMANIA**

Sept. 25—In Bucharest, thousands of coal miners from western Romania storm government buildings, demanding higher wages, lower prices, and the government's resignation; Bucharest residents join in the protest; 3 people are killed and 25 injured in riots and clashes with police. A leader of the miners says they will not leave the capital until the government resigns.

Sept. 26—Prime Minister Petre Roman resigns; demonstrations continue, with protesters demanding that President Ion Iliescu also step down.

Sept. 28—Security forces disperse the demonstrators in Bucharest with tear gas; Iliescu and opposition leaders meet to discuss the formation of a new government.

**SAUDI ARABIA**(See *US, Foreign Policy*)**SOUTH AFRICA**

Sept. 4—Opening a special meeting of the ruling National party, President F. W. de Klerk proposes a new constitution that would establish universal suffrage and a new 2-chamber parliament (one house with seats allocated to political parties based on nationwide voting, the other popularly elected by voters in the 9 administrative regions that will be created from the present 4 provinces); the proposal includes the replacement of the post of president with an executive council of between 3 and 5 members.

Sept. 8—Gunmen fire on about 300 supporters of the Inkatha Freedom party en route to a rally in Thokoza, near Johannesburg; about 23 people are killed. In a separate incident, 13 people are killed by a grenade thrown into a crowd of Inkatha supporters in Soweto.

Sept. 10—In Soweto, gunmen kill 6 black rail commuters and injure 6.

Sept. 11—Black factional violence claims 12 more lives in Thokoza as gunmen again attack black rail commuters, and other assailants throw a grenade into a bus.

Sept. 14—In Johannesburg, the government, the African National Congress (ANC), and Inkatha sign a comprehensive pact to help end black factional violence. The pact calls for all 3 groups to stop using force and inflammatory language against opponents, and for their security forces and political parties to follow a code of conduct that includes a voluntary ban on weapons at meetings. Twenty other anti-apartheid groups also sign the agreement.

In black townships in and around Johannesburg, 15 people are killed in factional fighting.

**SWEDEN**

Sept. 15—Results from yesterday's national elections show that the 5 non-socialist parties won 53% of the vote; the Social Democratic party received 38%, its worst electoral defeat in more than 60 years.

Sept. 16—Prime Minister Ingvar Carlsson resigns, but says he will stay on as a caretaker until a new government is formed.

Sept. 17—Carl Bildt, the leader of the Moderate party, is asked by the speaker of parliament, Thage Peterson, to form a government.

**UNION OF SOVIET SOCIALIST REPUBLICS (USSR)**(See also *Intl, EC; US, Foreign Policy*)

Sept. 1—British Prime Minister John Major visits Soviet President Mikhail Gorbachev in Moscow; he is the 1st Western leader to meet with Gorbachev since last month's coup attempt; Gorbachev asks for Western economic help. Major later meets with Russian republic president Boris Yeltsin.

Sept. 2—At the opening of the new session of the Congress of People's Deputies, Gorbachev and the leaders of 10 republics call for the creation of 3 interim councils: a State Council that would replace the Cabinet, consisting of Gorbachev and the 10 republic leaders; an interrepublic Economic Council made up of republic



representatives; and a Legislative Council consisting of 20 legislators from each republic that would replace the Supreme Soviet. The plan, which must be approved by the Congress, would effectively dissolve that body.

Sept. 4—The Lithuanian government begins issuing

"exoneration certificates" to Lithuanians convicted by Soviet courts of being Nazi collaborators during World War II; more than 1,000 certificates have been issued.

Sept. 5—Congress votes, 1,606 to 116 with 83 abstentions and 37 members not voting, to approve a compromise plan to restructure the Soviet government. The interim structure, which the Congress declares a transitional authority, will consist of an executive State Council, an interrepublic Economic Committee, and a bicameral Supreme Soviet. The new legislature will convene in early October.

In Tbilisi, Georgia, thousands of protesters march for a 4th day to demand new elections for the republic legislature and the resignation of republic president Zviad Gamsakhurdia.

Sept. 6—At its 1st meeting, the State Council recognizes the independence of Lithuania, Estonia, and Latvia, which were annexed by the Soviet Union in 1940. The council calls for negotiations with Baltic leaders to reorganize the economic, political, and military ties between the Soviet Union and the new Baltic states.

The Russian republic parliament formally approves changing Leningrad's name to St. Petersburg; the change was approved by referendum in Leningrad earlier this year.

Sept. 8—Soviet troops begin to withdraw from Lithuania.

Sept. 11—After meeting with US Secretary of State James Baker 3d in Moscow, Gorbachev announces that the Soviet Union will discuss with Cuban President Fidel Castro the withdrawal of the 11,000 Soviet military personnel in Cuba; Gorbachev says future Soviet economic relations with Cuba will be based only on free trade. Cuba was not consulted before the announcement was made.

Sept. 16—In Tbilisi, several thousand people rally to demand the Georgian president's resignation. After the rally the republic government arrests Georgi Chanturia, the leader of the non-parliamentary opposition.

Sept. 17—Nikolai Trubin, the Soviet prosecutor general, drops the 1974 treason charges against Aleksandr Solzhenitsyn; the Nobel Prize-winning author has said he would return to the Soviet Union if the charges were dismissed.

Sept. 22—Armenia and Azerbaijan agree to attend a peace conference mediated by Yeltsin and Kazakhstan president Nursultan Nazarbayev that begins tomorrow.

The results of a referendum held yesterday in Armenia show that 94% of the voters support independence for the republic.

Opponents of Gamsakhurdia seize a government broadcasting station in Tbilisi. Members of the republic national guard join protesters at the broadcasting station to prevent government troops from attacking the civilians.

Sept. 23—In Dushanbe, Tajikistan, Communists in the republic parliament force republic president Kadreddin Aslonov to resign because he suspended party activities

and seized party property after the August coup; they declare a state of emergency. Rakhman Nabiyeu, a retired party leader, is named president. Outside the parliament building, several thousand people protest the attempt to reinstate Communist rule.

Meeting in Zheleznovodsk, Russia, the leaders of Armenia and Azerbaijan agree to an immediate cease-fire and sign a formal agreement to resolve the dispute over Nagorno-Karabakh (an Armenian enclave in Azerbaijan) through negotiation; the agreement commits both republics to disarm all ethnic militia and armed civilians by January 1, 1992, and reverses several central government executive and military decrees enacted since 1988. Armenia renounces its effort to annex the enclave, and Azerbaijan agrees to respect Armenians' right to home rule in Karabakh.

Sept. 24—Gamsakhurdia declares a state of emergency in Georgia and asks his supporters to mobilize against those trying to oust him; armed opponents continue to occupy the broadcasting station.

In Dushanbe, thousands of protesters rally in defiance of the state of emergency declared yesterday; they demand new elections and reinstatement of the ban on Communist party activities.

Sept. 25—In clashes between rival military units in Tbilisi, 4 people are killed and 5 are injured.

Sept. 28—At an emergency congress in Moscow, the Kom-somol (Communist Youth League) votes to disband.

Sept. 29—In a televised interview from Moscow, Grigory Yavlinsky, a key economic policymaker, says the Soviet Union's gold reserves amount to 240 metric tons, about \$3-billion worth; Western officials had estimated that the Soviet Union had reserves worth as much as \$25 billion.

Sept. 30—Gorbachev names Yevgeny Primakov to head a new intelligence agency that will take over the KGB's foreign operations; Primakov was the Soviet envoy to Iraq during the Persian Gulf crisis.

## UNITED KINGDOM (UK)

### Great Britain

(See *Intl, International Terrorism; China; USSR*)

### Hong Kong

(See also *China*)

Sept. 15—The colony's 1st direct legislative elections are held for 18 of the 60 seats in the Legislative Council; the other 42 seats are filled through appointments.

Sept. 16—Results of yesterday's election show that liberal pro-democracy candidates won 16 of the 18 contested seats. Less than 50% of those eligible voted.

## UNITED STATES (US)

### Administration

Sept. 11—Responding to continuing revelations about the securities house Salomon Brothers Inc., which attempted in May to corner the market in 2-year Treasury notes by submitting unauthorized bids under others' names, the Treasury Department issues stricter regulations for the securities industry, including one requiring written confirmation of bids.

Sept. 30—The Justice Department, Alaska Governor Walter

Hickel, and the Exxon Corporation announce a new \$1.1-billion agreement to settle government court cases arising from the 1989 Exxon Valdez oil spill in Alaska's Prince William Sound; the agreement will not go before the state legislature, which in May voted against accepting the 1st agreement.

### ECONOMIC INDICATORS September Reports

	Change from previous period	Total
<b>Gross National Product</b> 2d quarter, 2d revision	-0.5%	\$4.1 trillion
<b>Merchandise Trade Deficit</b> June, revised Lowest since June 1983	-5.8%	\$3.08 billion
July	+52.6%	\$5.8 billion
<b>Consumer Price Index</b> August	+0.2%	136.6 points
<b>Unemployment</b> August	unchanged	6.8% (8.5 million)
<b>Leading Economic Indicators</b> August	unchanged	145.4 points

### Foreign Policy

(See also Intl, PLO, UN; Philippines; USSR)

Sept. 2—In Kennebunkport, Maine, President George Bush announces US recognition of Estonia, Latvia, and Lithuania as independent countries.

Sept. 6—In Washington, D.C., Zalman Shoval, the Israeli ambassador to the US, delivers to Secretary of State James Baker 3d a request for \$10 billion in loan guarantees for the resettlement of Soviet Jews; hours earlier, Bush had said he was asking Congress to delay action on such a request for 120 days, until after the beginning of the Middle East peace conference planned for October.

Sept. 7—The State Department announces that the US will provide \$22 million in emergency aid for the countries of the Horn of Africa; it says there are 15 million drought victims and 2 million refugees in the region.

Sept. 12—Virgilio Paz Romero, a Cuban exile who recently pleaded guilty to the 1976 assassination of former Chilean Ambassador Orlando Letelier in Washington, D.C., is sentenced in US district court there to 12 years in prison.

Sept. 13—In Moscow, Secretary Baker and Soviet Foreign Minister Boris Pankin announce that by year's end the US and the Soviet Union will discontinue arms deliveries to the opposing groups they have backed in the conflict in Afghanistan.

Sept. 14—Baker visits Estonia, Latvia, and Lithuania; he tells leaders in the 3 countries that the US will send \$14 million in aid this fiscal year, to be divided among the 3.

Sept. 16—The trial of extradited former Panamanian

President Manuel Noriega on drug racketeering and related charges begins in US district court in Miami.

Sept. 17—After 2 days of talks in Jerusalem with Prime Minister Yitzhak Shamir, Baker tells reporters that the US will not approve the \$10 billion in loan guarantees for resettlement of Soviet Jews unless Israel pledges to stop building settlements in the occupied territories.

Sept. 18—At the Grand Canyon, President Bush says he has authorized US warplanes to escort UN helicopters carrying UN weapons experts investigating Iraqi military sites under the terms of the Persian Gulf war cease-fire.

Sept. 19—In Washington, D.C., Defense Secretary Dick Cheney and his Kuwaiti counterpart, Ali al-Sabah al-Salim al-Sabah, sign a 10-year security accord that allows the US to stockpile equipment and use ports in Kuwait, and to take part in joint exercises.

Sept. 24—Bush orders the deployment of 96 surface-to-air Patriot missiles and 50 combat aircraft in Saudi Arabia to support escort operations for UN weapons inspectors in Iraq.

Sept. 27—In a televised address, Bush announces major unilateral changes in the US defense posture and calls on the Soviet Union to make comparable changes. Bush says he has ordered the withdrawal of all short-range nuclear missiles and artillery shells from US bases in Europe and Asia and from ships and submarines; many of the 2,650 weapons will be destroyed, and some will be stored at secure US sites; the US strategic bomber fleet will be taken off 24-hour alert, and once the Strategic Arms Reduction Treaty (START), signed by Bush and Soviet President Mikhail Gorbachev in August, is ratified, the US will accelerate the treaty's 7-year timetable for weapons elimination. Bush also calls for talks with the Soviet Union on the elimination of land-based intercontinental ballistic missiles (ICBMs) with multiple warheads.

*The New York Times* reports that last week Bush certified that Jordan has helped promote peace in the Middle East; this clears the way for the release of \$21 million in military aid to Jordan that was suspended by Congress in April in response to Jordan's support of Iraq in the Persian Gulf war.

### Legislation

Sept. 12—Voting 78 to 22, the Senate approves a \$204-billion appropriations bill for social services that includes provisions overturning a ban on abortion counseling in federally funded clinics and permitting Medicaid payments for abortions for rape and incest victims.

Sept. 24—The Senate approves, 69 to 30, a \$6.1-billion extension of unemployment benefits in states with high unemployment. On September 17, by a vote of 283 to 125, the House approved a similar \$6.3-billion bill, but with an added waiver of the declaration of a budget emergency necessary to release the funds for it.

Sept. 25—The House adopts by voice vote stopgap budget legislation that would allow government agencies to operate at 1991 spending levels through October 17; the 1992 fiscal year begins October 1.

Sept. 27—The Senate Judiciary Committee splits 7 to 7 on the nomination of Judge Clarence Thomas to the

Supreme Court and sends the nomination unendorsed to the full Senate for a vote.

### Political Scandal

Sept. 12—Clair George, the former director of operations for the Central Intelligence Agency (CIA), pleads innocent in US district court in Washington, D.C., to 10 felony counts stemming from an alleged cover-up of the Iran-contra affair.

Sept. 16—US district court Judge Gerhard Gesell drops the 2 remaining felony charges against former National Security Council aide Oliver North after independent federal prosecutor Lawrence Walsh says he will no longer pursue the case.

### Politics

Sept. 3—Former California Governor Edmund G. Brown announces in a letter to supporters that he is a candidate for the Democratic nomination for next year's presidential election.

Sept. 13—Virginia Governor L. Douglas Wilder, a Democrat, announces that he is a candidate for president. Wilder is the 1st African-American to have been elected a state governor.

Sept. 15—Senator Tom Harkin (D-Iowa) enters the race for the 1992 presidential nomination.

Sept. 30—Senator Bob Kerrey (D-Neb.) announces his candidacy for the presidency.

## VATICAN

(See Albania)

## YUGOSLAVIA

(See also Intl, EC)

Sept. 1—European Community (EC) officials arrive in Belgrade to begin organizing teams of foreign observers to oversee a cease-fire plan in Serbia and Croatia.

Sept. 2—Shortly after a cease-fire agreement is signed, fighting breaks out in eastern Croatia between Croats and Serbian rebels.

Sept. 6—The 8-member collective federal presidency convenes in Belgrade and votes to send a delegation to an EC peace conference on Yugoslavia in The Hague.

Sept. 8—Results of a referendum held in Macedonia yesterday show that about 75% of the voters favor independence; Albanians in the republic boycotted the referendum. Bulgaria has offered to recognize an independent Macedonian state.

Sept. 11—Fighting is reported in and around Kostajnica, on Croatia's border with Bosnia. Croatian forces reportedly fire on a helicopter carrying Henry Wijnadts, a Dutch peacekeeping envoy, forcing the craft to land.

Sept. 12—Serbian rebels seize a bridge near Zagreb, cutting off the Croatian capital's access to Zadar on the Adriatic Sea.

Sept. 13—Serbian rebels occupy federal army barracks along the Dalmatian coast. Zagreb radio says the federal army has transported Serbians from Montenegro to help secure the region.

Federal Prime Minister Ante Markovic says the ministers of finance and of development—both

Croatians—resigned yesterday after the Croatian government asked all Croatian officials to return to the republic. Serbia, Croatia, and Slovenia have refused to send delegates to a meeting called for tomorrow to select another Cabinet.

Sept. 14—The Croatian government orders that food, water, and electricity no longer be supplied to federal army barracks in Croatia.

Sept. 15—Federal army forces stage air and ground attacks in Croatia in response to the blockade of their garrisons by republic troops.

Sept. 18—Hours after federal military leaders sign an EC-negotiated cease-fire, federal army and air force troops attack Zagreb, marking the 1st fighting in the city. The cease-fire calls for federal army units to return to their barracks, for all paramilitary units to disarm, and for the blockade of federal army garrisons to end.

Sept. 21—Federal army troops shell Croatian garrisons and the air force attacks Croatian positions along the Adriatic coastline; Croatia leaders twice appeal to the federal government for a truce but receive no response.

Sept. 22—Croatia and federal army forces agree to a cease-fire. Croatia's president, Franjo Tudjman, orders the restoration of supplies of medicine, food, water, and electricity to federal army barracks in Croatia.

Sept. 30—The federal army begins a new offensive in Croatia to gain control of Vukovar, a strategically located city on the Danube River border with Serbia.

## ZAIRE

Sept. 3—Parliament convenes to discuss possible responses to an outbreak of anti-government rioting yesterday in Kinshasa; at least 3 people were killed when thousands of protesters calling for democracy clashed with police.

Sept. 23—Zairian paratroopers mutiny at their base near Kinshasa after being denied their salaries; soldiers from other units attack the international airport; civilians join soldiers in looting shopping centers in Kinshasa. Rioting is also reported in Kolwezi and Lubumbashi.

Sept. 24—Widespread looting continues in Kinshasa and other cities. France and Belgium send troops to protect foreign nationals, saying they will not interfere in Zaire's internal affairs and prop up President Mobutu Sese Seko's regime.

Sept. 28—Mobutu and opposition leaders agree to form a coalition government; the president also agrees to reconvene a conference on democratic reforms that broke up earlier this month.

Sept. 29—Mobutu agrees to allow Etienne Tshisekedi, a former interior minister who broke with Mobutu in 1980, to form an 11-member coalition government that will include some Mobutu loyalists; Mobutu will remain head of state, but have diminished authority, and Tshisekedi will serve as prime minister.

## ZAMBIA

Sept. 4—President Kenneth Kaunda ends a 27-year state of emergency and announces that Zambia's 1st multiparty parliamentary and presidential elections will take place October 31 and November 1; he also dissolves the parliament.





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